S. 1209. A bill to amend title V of the Social Security Act to promote responsible parenthood and integrated delivery of family planning services by increasing funding for and block granting the family planning program and the adolescent family life program; to the Committee on Finance.

S. 1210. A bill to provide for educational choice and equity; to the Committee on Labor and Human Resources.

S. 1211. A bill to provide incentive grants to States to improve methods of ordering, collecting, and enforcing restitution to victims of crime, and for other purposes; to the Committee on the Judiciary.

By Mr. COATS (for himself and Ms. MOSELEY-BRAUN):

S. 1212. A bill to provide for the establishment of demonstration projects designed to determine the social, civic, psychological, and economic effects of providing to individuals and families with limited means an opportunity to accumulate assets, and to determine the extent to which an asset-based welfare policy may be used to enable individuals and families with low income to achieve economic self-sufficiency; to the Committee on Finance.

By Mr. COATS:

S. 1213. A bill to provide for the disposition of unoccupied and substandard multifamily housing projects owned by the Secretary of Housing and Urban Development; to the Committee on Banking, Housing, and Urban Affairs.

S. 1214. A bill to direct the Secretary of Health and Human Services to establish a program to provide pregnant women with certificates to cover expenses incurred in receiving services at maternity homes and to establish a demonstration program to provide maternity care services to certain unwed, pregnant teenagers, and for other purposes; to the Committee on Labor and Human Resources.

S. 1215. A bill to evaluate the effectiveness of certain community efforts in coordination with local police departments in preventing and removing violent crime and drug trafficking from the community, in increasing economic development in the community, and in preventing or ending retaliation by perpetrators of crime against community residents, and for other purposes; to the Committee on the Judiciary.

S. 1216. A bill to amend the Internal Revenue Code of 1986 to provide a tax credit for individuals who provide care in their home for certain individuals in need, and for other purposes; to the Committee on Finance.

S. 1217. A bill to encourage the provision of medical services in medically underserved communities by extending Federal liability coverage to medical volunteers, and for other purposes; to the Committee on Labor and Human Resources.

S. 1218. A bill to provide seed money to States and communities to match, on a volunteer basis, nonviolent criminal offenders and welfare families with churches that volunteer to offer assistance, and for other purposes; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. COATS:

S. 1201. A bill to provide for the awarding of grants for demonstration projects for kinship care programs, and for other purposes; to the Committee on Labor and Human Resources.

S. 1202. A bill to provide for a role model academy demonstration program; to the Committee on Labor and Human Resources.

S. 1203. A bill to provide for character development; to the Committee on Labor and Human Resources.

S. 1204. A bill to amend the United States Housing Act of 1937 to increase public housing opportunities for intact families; to the Committee on Banking, Housing, and Urban Affairs.

S. 1205. A bill to provide for the establishment of a mentor school program, and for other purposes; to the Committee on Labor and Human Resources.

S. 1206. A bill to amend the Internal Revenue Code of 1986 to allow a refundable tax credit for adoption expenses and to exclude from gross income employee and military adoption assistance benefits and withdrawals from IRA's for certain adoption expenses, and to amend title 5, United States Code, to exclude from gross income employee and military adoption assistance benefits and withdrawals from IRAs for certain adoption expenses, and for other purposes; to the Committee on Finance.

S. 1207. A bill to amend part B of title IV of the Social Security Act to provide for a set-aside of funds for States that have enacted certain divorce laws, to amend the Legal Services Corporation Act to prohibit the use of funds made available under the Act to provide legal assistance in certain proceedings relating to divorces and legal separations, and for other purposes; to the Committee on Finance.

S. 1208. A bill to amend the Internal Revenue Code of 1986 to allow an additional earned income tax credit for married individuals and to prevent fraud and abuse involving the earned income tax credit, and for other purposes; to the Committee on Finance.

S. 1209. A bill to amend title V of the Social Security Act to promote responsible parenthood and integrated delivery of family planning services by increasing funding for and block granting the family planning program and the adolescent family life program; to the Committee on Finance.

S. 1210. A bill to provide for educational choice and equity; to the Committee on Labor and Human Resources.

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S. 1218. A bill to provide seed money to States and communities to match, on a volunteer basis, nonviolent criminal offenders and welfare families with churches that volunteer to offer assistance, and for other purposes; to the Committee on Labor and Human Resources.

CIVIL SOCIETY LEGISLATION

Mr. COATS. Mr. President, I come to the Senate floor today to introduce a broad package of legislation motivated by a single conviction. That conviction is that we will never have a strong society if our civil society is weak. The order of our streets, the character of our children, and the renewal of our cities all depend directly on the health of families and neighborhoods, on the strength of grassroots community organizations, and on the vitality of private and religious institutions that care for those in need because it is these institutions that transmit values between generations, that encourage cooperation between citizens, and make our communities seem smaller, more friendly, and more manageable.

In nearly every community, rich and poor, they once created an atmosphere in which most problems—from a teenage girl in trouble to the rowdy neighborhood kids—could be confronted before their repetition threatened the very existence of the community itself. It is an increasingly clear fact of social

science, and I think something evident to all of us in teaching of common sense, that when this network of civil society is strong, there is hope, hope in communities, hope in families, hope in America. And when it is weak, we find a destructive form of despair that pervades our land.

This fact is a challenge to the left which tends to concentrate on individuals and their rights, not communities and their standards. But it is also a challenge to the right which seems to overconcentrate on simply transferring funds from one bureaucracy to another and changing the incentives of the current welfare system.

Make no mistake. I support the goal of limiting government and of transferring resources and authority to levels of government closer to the people. But our deepest social problems, especially illegitimacy and violence, are not rooted in economic incentives or the level of government where spending takes place. I suggest they are rooted in the breakdown of value-shaping institutions. Government has always depended on these institutions. It does not create them. There is no legislative package that I or anyone could offer that would rebuild them. And there is no legislative package that could ever be written to replace them, although we have had an experiment here for the last 30 years or so with failed bureaucratic government approaches to these problems.

There is, however, I would suggest, an urgent need for Government to respect, recognize and, wherever possible, encourage this network of institutions that creates community. This, I am convinced, is the next challenge for this Congress and the next stage of the Republican revolution.

After the reach of government is limited, as it must be, the question is how do we nurture the caring safety net of civil society? How do we depend on it rather than undermine it or attempt to replace it? This concern should reorient our thinking and our efforts. Our central goal should be to respect and reinvigorate those traditional structures—families, schools, neighborhoods, voluntary associations—that provide training in citizenship and pass morality from generation to generation.

I hope this is a specific debate—that is what I want—not a general discussion. So I have made and will offer this morning a series of specific proposals. They are not, and I do not pretend them to be, a total solution to the problems that we face in society. But it is on these issues that I believe a constructive argument can begin.

I have 18 specific pieces of legislation. People can take these 18 bills as a blueprint or as a target. But my goal is to start a debate on items that I believe matter. I will not take the time this morning to describe each of these proposals, but in the next few days every Member of the Senate and the House will receive material summarizing them. However, I do want to take a few moments to describe the theory behind these proposals. Each one is designed to encourage in the margin where it is possible three levels of society.

First, eight of the bills are directed at strengthening the role of families and specifically fathers and, in their absence, providing mentoring programs. This is the most basic level of civil society and, I would suggest, the most vulnerable level of civil society today.

Second, six of the bills I am introducing are aimed at encouraging private, local, grassroots organizations that are renewing their own communities: community development corporations, neighborhood watches, maternity group homes, small businesses.

And, finally, four of the bills are designed to encourage private and faith-based charities in individual acts of compassion. They have an effectiveness denied to government because they have the resources of love and spiritual renewal that no government can or even should provide.

This legislative package is part of a larger report and larger effort, which I have titled the ''Project for American Renewal.''

I have undertaken this project with Dr. William Bennett. I intend to call a series of hearings on these themes. We intend together to speak out on the goals, the theory behind the goals, and the specific elements of the proposal.

We attempt to highlight the extraordinary success of some of these private and faith-based charities and the corresponding failure of Government bureaucracies to address some of our most fundamental, underlying social problems. Two hearings are already scheduled for the end of September.

We also intend to raise this debate with Presidential candidates and in the Republican platform. It is my conviction that the Republican revolution will fail unless we have a message of hope that our worst social problems are not permanent features of American life, that these challenges are and can be confronted not by failed Government efforts but by private community faith-based institutions that nurture lives and bring renewed hope.

I want to assure my Republican colleagues I believe in devolution, limiting government, giving authority and resources to State governments, but there is a bolder form of devolution that I think should take place beyond government. We should not only transfer resources and authority to States but beyond government entirely to those private institutions that humanize our lives and reclaim our communities.

This I believe is the next step for Republicans. It is also a theme that I think will challenge the creativity of both parties and may likely cross party lines. We should adopt this approach because the alternative, centralized bureaucratic control, has failed. But I think there is another reason we should adopt this approach. We should adopt it because it is profoundly hopeful. These institutions do not just feed the body but they touch the soul. They have the power to transform individuals and renew our society. There is simply no alternative that holds such promise.

Mr. President, I send to the desk the text of these 18 bills and ask that they be printed in the RECORD, and I hope that my colleagues will look at them carefully.

Mr. President, I yield the floor.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. I congratulate the Senator from Indiana. He and I are on exactly the same wavelength on this. When we were debating the welfare bill initially a few weeks ago before the recess, I cited from a little pamphlet called ''To Empower People—The Role of Mediating Structures in Public Policy.'' It is 20 years old and it is by Peter Berger and Richard John Neuhaus, two quasi-philosophers. One has some background in religion. I will quote just the first page:

> Two seemingly contradictory tendencies are evident in current thinking about public policy in America.

Bear in mind, this is 20 years ago.

> First, there is a continuing desire for services provided by the modern welfare state . . . The second tendency is one of strong animus against Government bureaucracy and bigness as such.

And then here I might even disagree with this sentence.

> We suggest that the modern welfare state is here to stay, indeed that it ought to expand the benefits it provides—but that alternative mechanisms are possible to provide welfare state services.

And then they just leapfrog even State and local governments and they identify for us neighborhood, family, church, and voluntary associations. And that is why we have put in our bill to the extent we can make it constitutional that there is no prohibition about giving money to the Goodwill or Catholic Charities or a Jewish home for the aged if they are administering social services that we deem relevant.

And just because there happens to be a menorah in the hallway or a cross on the wall should not make them ineligible to deliver the kinds of services that they deliver better than any government we have ever seen. I am sure the Senator, as I have, has been to shelter workshops and has seen the Salvation Army or Goodwill and what they do with a minuscule amount of money and lots of volunteers and community spirit that cannot be bought. If you try to buy it, you lose the spirit. And so I am delighted with what the Senator had to say today. And we are on exactly the same wavelength. I hope we are successful.

Mr. COATS. I thank the Senator from Oregon for his remarks, and I look forward to the analysis of the legislative items I put forward. Again, I

want to say there is no legislation that necessarily can adequately address this underlying problem, but there are certainly things that I think we can do to encourage and to nurture, to provide respect and, hopefully, some measure of support to these institutions which, as the Senator from Oregon has said, just do remarkable jobs because they go beyond providing mere material needs and meeting those needs, which is important, but they also can transform lives.

It is something that government cannot do to the extent that we can constitutionally. And we had the same concerns as we drafted this legislation. Can we constitutionally encourage these mediating institutions? I think our society will find that source of hope that so often is absent from our discussions.

I thank the Senator from Oregon.

Mr. PACKWOOD. It is interesting. Maybe the only constant in history is change. In the early common law, 13th, 14th, 15th century, juries were picked on the basis that they knew the defendant, not that they did not know the defendant or did not know the facts. These were neighborhood institutions. And who better to judge somebody than a group that knew somebody.

We moved totally away from that. Now we sequester the Simpson jury for months and months and months so they do not know anybody, hopefully. But that was an attempt by the law 500 years ago to say, ''We think neighbors are better judges of people than anybody else.'' We moved away from it, maybe wisely, maybe not. But the concept is not new that neighborhood knows better than anybody else.

Mr. President, I ask unanimous consent that the text of the bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1201

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Kinship Care Act of 1995''.

SEC. 2. KINSHIP CARE DEMONSTRATION.

(a) GRANTS.—The Secretary of Health and Human Services (hereafter referred to in this Act as the ''Secretary'') shall award grants to States for demonstration projects to assist such States in developing or implementing procedures to use adult relatives as the preferred placement for children removed from their parents, so long as—

(1) such relatives are determined to be capable of providing a safe, nurturing environment for the child; or

(2) such relatives comply with all relevant Federal and State child protection standards.

(b) REQUIREMENTS.—To be eligible to receive a grant under subsection (a), a State shall—

(1) agree to, at a minimum, provide a needs-based payment and supportive services, as appropriate, with respect to children in a kinship care arrangement;

(2) agree to give preference to adult relatives who meet applicable adoption standards in making adoption placements;

(3) establish such procedures as may be necessary to ensure the safety of children who are placed with adult relatives; and

(4) establish such procedures as may be necessary to ensure that reasonable efforts will be made prior to the placement of a child in foster care to give notice to an adult relative (including a maternal or paternal grandparent, sibling, aunt, or uncle who might be available to care for the child).

(c) EVALUATION.—The Secretary shall, directly or through contracts with public or private entities, provide for the conduct of evaluations of demonstration projects carried out under subsection (a) and for the dissemination of information developed as a result of such projects.

SEC. 3. PROCEDURES TO PLACE CHILDREN WITH RELATIVES.

A State that receives a grant under this Act shall develop procedures to ensure that reasonable efforts will be made prior to the placement of a child in foster care, to provide notice to a relative (including a maternal or fraternal grandparent, adult sibling, aunt, or uncle) who might be available to care for the child.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this Act $30,000,000 for each of the fiscal years 1996, 1997, and 1998.

S. 1202

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; PURPOSE; DEFINITIONS.

(a) SHORT TITLE.—This Act may be cited as the ''Role Models Academy Demonstration Act''.

(b) PURPOSE.—The purpose of this Act is to establish a Role Models Academy that—

(1) serves as a model, residential, military style magnet school for at-risk youth from around the Nation who cease to attend secondary school before graduation from secondary school; and

(2) will foster a student's growth and development by providing a residential, controlled environment conducive for developing leadership skills, self-discipline, citizenship, and academic and vocational excellence in a structured living and learning environment.

(c) DEFINITIONS.—For the purpose of this Act—

(1) the term ''Academy'' means the academy established under section 3;

(2) the term ''former member of the Armed Forces'' means any individual who was discharged or released from service in the Armed Forces under honorable conditions;

(3) the term ''local educational agency'' has the meaning given that term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801);

(4) the term ''secondary school'' has the meaning given that term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801); and

(5) the term ''Secretary'' means the Secretary of Education.

SEC. 2. OBJECTIVES.

The objectives of this Act are as follows:

(1) To provide a comprehensive, coherent, integrated, high quality, cost-effective, residential, education and vocational training academy for the Nation's at-risk youth, designed to meet the entrance demands of colleges and universities and the needs of employers.

(2) To establish a comprehensive, national partnership investment model among the Federal Government, States, corporate America, and colleges and universities.

(3) To provide for community partnerships among local community leaders, businesses, and churches to provide mentoring to Academy students.

(4) To provide for a community partnership between the Academy and the local school system under which model Academy students will serve as mentors to at-risk youth who are attending school to provide such in-school at-risk youth with valuable instruction and insights regarding—

(A) the prevention of drug use and crime;

(B) self-restraint; and

(C) conflict resolution skills.

(5) To provide Academy students with—

(A) the tools to become productive citizens;

(B) learning skills;

(C) traditional, moral, ethical, and family values;

(D) work ethics;

(E) motivation;

(F) self-confidence; and

(G) pride.

(6) To provide employment opportunities at the Academy for former members of the Armed Forces and participants in the program assisted under section 1151 of title 10, United States Code (Troops to Teachers Program).

(7) To make the Academy available, upon demonstration of success, for expansion or duplication throughout every State, through block grant funding or other means.

SEC. 3. ACADEMY ESTABLISHED.

The Secretary shall carry out a demonstration program under which the Secretary establishes a four-year, residential, military style academy—

(1) that shall offer at-risk youth secondary school coursework and vocational training, and that may offer precollegiate coursework;

(2) that focuses on the education and vocational training of youth at risk of delinquency or dropping out of secondary school;

(3) whose teachers are primarily composed of former members of the Armed Forces or participants in the program assisted under section 1151 of title 10, United States Code (Troops to Teachers Program), if such former members or participants are qualified and trained to teach at the Academy;

(4) that operates a mentoring program that—

(A) utilizes mentors from all sectors of society to serve as role models for Academy students;

(B) provides, to the greatest extent possible, one-to-one mentoring relationships between mentors and Academy students; and

(C) involves mentors providing academic tutoring, advice, career counseling, and role models;

(5) that may contain a Junior Reserve Officers' Training Corps unit established in accordance with section 2031 of title 10, United States Code;

(6) that is housed on the site of any military installation closed pursuant to a base closure law; and

(7) if the Secretary determines that the Academy is effective, that serves as a model for similar military style academies throughout the United States.

SEC. 4. AUTHORIZATION.

There are authorized to be appropriated $30,000,000 for fiscal year 1996 and such sums as may be necessary for each of the fiscal years 1997, 1998, 1999, and 2000 to carry out this Act.

S. 1203

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND PURPOSES.

(a) SHORT TITLE.—This Act may be cited as the ''Character Development Act''.

(b) PURPOSES.—The purposes of this Act are—

(1) to reduce the school dropout rate for at-risk youth;

(2) to improve the academic performance of at-risk youth; and

(3) to reduce juvenile delinquency and gang participation.

SEC. 2. DEFINITIONS.

For the purposes of this Act—

(1) the term ''at-risk youth'' means a youth at risk of—

(A) educational failure;

(B) dropping out of school; or

(C) involvement in delinquent activities;

(2) the term ''eligible local educational agency'' means a local educational agency that has entered into a partnership, with a community-based organization that provides one-to-one mentoring services, to carry out the authorized activities described in section 5 in accordance with this Act;

(3) the terms ''elementary school'', ''local educational agency'', and ''secondary school'', have the meanings given such terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801);

(4) the term ''mentor'' means a person who works with an at-risk youth on a one-to-one basis, to establish a supportive relationship with the youth and to provide the youth with academic assistance and exposure to new experiences that enhance the youth's ability to become a better student and a responsible citizen; and

(5) the term ''Secretary'' means the Secretary of Education.

SEC. 3. MENTORING PROGRAMS.

(a) GRANT AUTHORITY.—The Secretary is authorized to award grants to eligible local educational agencies to enable such agencies to establish mentoring programs that—

(1) are designed to link—

(A) individual at-risk youth; with

(B) responsible, individual adults who serve as mentors; and

(2) are intended to—

(A) increase at-risk youth participation in, and enhance the ability of such youth to benefit from, elementary and secondary education;

(B) discourage at-risk youth from—

(i) using illegal drugs;

(ii) violence;

(iii) using dangerous weapons;

(iv) criminal activity not described in clauses (i), (ii), and (iii); and

(v) involvement in gangs;

(C) promote personal and social responsibility among at-risk youth;

(D) encourage at-risk youth participation in community service and community activities; or

(E) provide general guidance to at-risk youth.

(b) AMOUNT AND DURATION.—Each grant under this section shall be awarded in an amount not to exceed a total of $200,000 over a period of not more than three years.

(c) PRIORITY.—The Secretary shall give priority to awarding a grant under this section to an application submitted under section 7 that—

(1) describes a mentoring program in which 60 percent or more of the at-risk youth to be served are eligible for assistance under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.);

(2) describes a mentoring program that serves at-risk youth who are—

(A) at risk of dropping out of school; or

(B) involved in delinquent activities; and

(3) demonstrates the ability of the eligible local educational agency to continue the mentoring program after the termination of the Federal funds provided under this section.

(d) OTHER CONSIDERATIONS.—In awarding grants under this section, the Secretary shall give consideration to—

(1) providing an equitable geographic distribution of such grants, including awarding such grants for mentoring programs in both rural and urban areas;

(2) the quality of the mentoring program described in the application submitted under section 7, including—

(A) the resources, if any, that will be dedicated to providing participating at-risk youth with opportunities for job training or postsecondary education; and

(B) the degree to which parents, teachers, community-based organizations, and the local community participate in the design and implementation of the mentoring program; and

(3) the capability of the eligible local educational agency to effectively implement the mentoring program.

SEC. 4. IMPLEMENTATION AND EVALUATION GRANTS.

The Secretary is authorized to award grants to national organizations or agencies serving youth to enable such organizations or agencies—

(1) to conduct a multisite demonstration project, involving 5 to 10 project sites, that—

(A) provides an opportunity to compare various one-to-one mentoring models for the purpose of evaluating the effectiveness and efficiency of such models;

(B) allows for innovative programs designed under the oversight of a national organization or agency serving youth, which programs may include—

(i) technical assistance;

(ii) training; and

(iii) research and evaluation; and

(C) disseminates the results of such demonstration project to allow for the determination of the best practices for various mentoring programs;

(2) to develop and evaluate screening standards for school-linked mentoring programs; and

(3) to develop and evaluate volunteer recruitment activities for school-linked mentoring programs.

SEC. 5. AUTHORIZED ACTIVITIES.

(a) PERMITTED USES.—Grant funds awarded under this Act (other than grant funds awarded under section 4) shall be used for—

(1) hiring of mentoring coordinators and support staff;

(2) recruitment, screening and training of adult mentors;

(3) reimbursement of mentors for reasonable incidental expenditures, such as transportation, that are directly associated with mentoring, except that such expenditures shall not exceed $500 per mentor per calendar year; or

(4) such other purposes as the Secretary determines may be reasonable.

(b) PROHIBITED USES.—Grant funds awarded under this Act shall not be used—

(1) to directly compensate a mentor, except as provided under subsection (a)(3);

(2) to obtain educational or other materials or equipment that would otherwise be used in the ordinary course of the grant recipient's operations;

(3) to support litigation; or

(4) for any other purposes that the Secretary determines are prohibited.

SEC. 6. REGULATIONS AND GUIDELINES.

(a) REGULATIONS.—The Secretary, after consultation with the Secretary of Health and Human Services, the Attorney General, and the Secretary of Labor, shall provide for the promulgation of regulations to implement this Act.

(b) GUIDELINES.—The Secretary shall develop and distribute to eligible local educational agencies receiving a grant under section 3 specific model guidelines for the screening of mentors.

SEC. 7. APPLICATIONS.

(a) IN GENERAL.—Each entity desiring a grant under this Act shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

(b) MENTORING PROGRAMS.—Each application submitted under subsection (a) for a grant under section 3 shall contain—

(1) information on the at-risk youth expected to be served;

(2) a provision describing the mechanism for matching at-risk youth with mentors based on the needs of the at-risk youth;

(3) an assurance that no mentor will be assigned to more than one at-risk youth, so as to ensure a one-to-one mentoring relationship;

(4) an assurance that a mentoring program operated in a secondary school will provide at-risk youth with a variety of experiences and support, including—

(A) an opportunity to spend time in a work environment and, when possible, participate in the work environment;

(B) an opportunity to witness the job skills that will be required for the at-risk youth to obtain employment upon graduation;

(C) assistance with homework assignments; and

(D) exposure to experiences that the at-risk youth might not otherwise encounter;

(5) an assurance that the mentoring program operated in elementary schools will provide at-risk youth with—

(A) academic assistance;

(B) exposure to new experiences and activities that at-risk youth might not encounter on their own; and

(C) emotional support;

(6) an assurance that the mentoring program will be monitored to ensure that each at-risk youth participating in the mentoring program benefits from a mentor relationship, including providing a new mentor assignment if the original mentoring relationship is not beneficial to the at-risk youth;

(7) the methods by which mentors and at-risk youth will be recruited to the mentoring program;

(8) the method by which prospective mentors will be screened; and

(9) the training that will be provided to mentors.

SEC. 8. EVALUATION.

(a) EVALUATION.—The Comptroller General of the United States shall enter into a contract, with an evaluating organization that has demonstrated experience in conducting evaluations, for the conduct of an ongoing rigorous evaluation of the programs and activities assisted under this Act.

(b) EVALUATION CRITERIA.—The Comptroller General of the United States, in consultation with the Secretary, shall establish minimum criteria for evaluating the programs and activities assisted under this Act. Such criteria shall provide for a description of the implementation of each program or activity assisted under this Act and such program or activity's effect on all participants, schools, communities, and youth served by such program or activity.

SEC. 9. REPORTS.

(a) REPORT BY GRANT RECIPIENTS.—Each entity receiving a grant under this Act shall submit to the evaluating organization entering into the contract under section 8(a)(1) an annual report regarding any program or activity assisted under this Act. Each such report shall be submitted at such a time, in such a manner, and accompanied by such information, as such evaluating organization may require.

(b) REPORTS BY COMPTROLLER GENERAL.—The Comptroller General shall submit to

Congress not later than September 30, 1999, a report regarding the success and effectiveness of grants awarded under this Act in reducing the school dropout rate, improving academic performance of at-risk youth, and reducing juvenile delinquency and gang participation.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

(a) MENTORING PROGRAMS.—There is authorized to be appropriated $35,000,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000 to carry out section 3.

(b) IMPLEMENTATION AND EVALUATION GRANTS.—There is authorized to be appropriated $5,000,000 for each of the fiscal years 1996, 1997, 1998, 1999, and 2000 to carry out section 4.

S. 1204

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Family Housing Act of 1995''.

SEC. 2. PUBLIC HOUSING FOR INTACT FAMILIES.

Section 6(c)(4)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437d(c)(4)(A)) is amended—

(1) in clause (iii), by striking ''and'' at the end;

(2) in clause (iv), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following new clause:

''(v) for not less than 15 percent of the units that are made available for occupancy in a given fiscal year, give preference to any family that includes 2 individuals who are legally married to each other;''.

S. 1205

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; FINDINGS; AND PURPOSES.

(a) SHORT TITLE.—This Act may be cited as the ''Mentor Schools Act''.

(b) FINDINGS.—The Congress finds that—

(1) while low-income students have made significant gains with respect to educational achievement and attainment, considerable gaps still persist for these students in comparison to those from more affluent socioeconomic backgrounds;

(2) our Nation has a compelling interest in assuring that all children receive a high quality education;

(3) new methods and experiments to revitalize the educational achievement of, and opportunities for, low-income individuals must be a part of any comprehensive solution to the problems in our Nation's educational system;

(4) successful educational alternatives should be widely implemented to better the education of low-income individuals;

(5) preliminary research shows that same gender schools produce promising academic and behavioral improvements in both sexes for low-income, educationally disadvantaged students;

(6) extensive data on same gender schools are needed to determine whether same gender schools are closely tailored to achieving the compelling government interest in assuring that all children are educated to the best of their ability;

(7) in recent years efforts to experiment with same gender schools have been inhibited by lawsuits and threats of lawsuits by private groups as well as governmental entities; and

(8) same gender schools are a legal educational alternative to coeducational schools and are not prohibited under the regulations under title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), as such regulations were in effect on the day preceding the date of enactment of this Act, so long as—

(A) comparable courses, services and facilities are available to students of each sex; and

(B) the same policies and criteria for admission to such schools are used for both sexes.

(c) PURPOSES.—It is the purpose of this Act—

(1) to award grants to local educational agencies for the establishment of same gender schools for low-income students;

(2) to determine whether same gender schools make a difference in the educational achievement and opportunities of low-income, educationally disadvantaged individuals;

(3) to improve academic achievement and persistence in school; and

(4) to involve parents in the educational options and choices of their children.

SEC. 2. DEFINITIONS.

As used in this Act—

(1) the term ''evaluating agency'' means any academic institution, consortium of professionals, or private or nonprofit organization, with demonstrated experience in conducting evaluations, that is not an agency or instrumentality of the Federal Government;

(2) the term ''mentor school'' means a public elementary school or secondary school, or consortium of such schools, that—

(A)(i) in the case of a public elementary school or secondary school, receives funds under this Act; or

(ii) in the case of a consortium of such schools, all of which receive funds under this Act;

(B) develops a plan for, and provides access to—

(i) a school for boys;

(ii) a school for girls; and

(iii) a coeducational school;

(C) gives parents the option of choosing to send their child to each school described in subparagraph (B);

(D) admits students on the basis of a lottery, if more students apply for admission to a school described in clause (i) or (ii) of subparagraph (B) that can be accommodated;

(E) operates, as part of the educational program of a school described in clause (i) or (ii) of subparagraph (B), a one-to-one mentoring program that—

(i) involves members from the community served by such school as volunteer mentors;

(ii) pairs an adult member of such community with a student of the same gender as such member; and

(iii) involves the collaboration of one or more community groups with experience in mentoring or other relationship development activities; and

(F) operates in pursuit of improving achievement among all children based on a specific set of educational objectives determined by the local educational agency applying for a grant under this part, in conjunction with the mentor school advisory board established under section 3(d), and agreed to by the Secretary;

(3) the term ''mentor school advisory board'' means an advisory board established in accordance with section 3(d); and

(4) the term ''Secretary'' means the Secretary of Education.

SEC. 3. PROGRAM AUTHORIZED.

(a) AUTHORITY.—

(1) IN GENERAL.—From amounts made available under section 7, the Secretary is authorized to award grants to not more than 100 local educational agencies for the planning and operation of one or more mentor schools.

(2) ELIGIBLE LOCAL EDUCATIONAL AGENCIES.—The Secretary shall only award a grant under paragraph (1) to a local educational agency that—

(A) receives funds under section 1124A of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6334); and

(B) is among the 20 percent of local educational agencies receiving funds under section 1124A (20 U.S.C. 6334) of such Act in the State that have the highest number of children described in section 1124(c) (20 U.S.C. 6333(c)) of such Act.

(b) GRANT PERIODS.—Each grant under subsection (a) may be awarded for a period of not more than 5 years, of which a local educational agency may use not more than 1 year for planning and program development for a mentor school.

(c) LIMITATION.—The Secretary shall not award more than 1 grant under this Act to support a particular mentor school.

(d) MENTOR SCHOOL ADVISORY BOARD.—Each local educational agency receiving a grant under this Act shall establish a mentor school advisory board. Such advisory board shall be composed of school administrators, parents, teachers, local government officials and volunteers involved with a mentor school. Such advisory board shall assist the local educational agency in developing the application for assistance under section 4 and serve as an advisory board in the functioning of the mentor school.

(e) ALTERNATIVE TEACHING CERTIFICATES.—Each local educational agency operating a mentor school under this Act is encouraged to employ teachers with alternative teaching certificates, including participants in the program assisted under section 1151 of title 10, United States Code (Troops to Teachers Program).

SEC. 4. APPLICATIONS.

(a) APPLICATIONS REQUIRED.—Each local educational agency desiring a grant under this Act shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

(b) APPLICATION CONTENTS.—Each application described in subsection (a) shall include—

(1) a description of the educational program to be implemented by the proposed mentor school, including—

(A) the grade levels or ages of children to be served; and

(B) the curriculum and instructional practices to be used;

(2) a description of the objectives of the local educational agency for the mentor school and a description of how such agency intends to monitor and study the progress of children participating in the mentor school;

(3) a description of how the local educational agency intends to include in the mentor school administrators, teaching personnel, and role models from the private sector;

(4) a description of how school administrators, parents, teachers, local government and volunteers will be involved in the design and implementation of the mentor school;

(5) a description of the one-to-one mentoring program required by section 2(2)(E);

(6) a description of how the local educational agency or the State, as appropriate, will provide for continued operation of the mentor school once the Federal grant has expired, if such agency determines that such school is successful;

(7) a description of how the grant funds will be used;

(8) a description of how students in attendance at the mentor school, or in the community served by such school, will be—

(A) informed about such school; and

(B) informed about the fact that admission to a school described in section 2(2)(B) is completely voluntary;

(9) a description of how grant funds provided under this Act will be used in conjunction with funds provided to the local educational agency under any other program administered by the Secretary;

(10) an assurance that the local educational agency will annually provide the Secretary such information as the Secretary may require to determine if the mentor school is making satisfactory progress toward achieving the objectives described in paragraph (2);

(11) an assurance that the local educational agency will cooperate with the Secretary in evaluating the program authorized by this Act;

(12) an assurance that resources provided under this Act shall be used equally for schools for boys and for schools for girls;

(13) an assurance that the activities assisted under this Act will not have an adverse affect, on either sex, that is caused by—

(A) the quality of facilities for boys and for girls;

(B) the nature of the curriculum for boys and for girls;

(C) program activities for boys and for girls; and

(D) instruction for boys and for girls; and

(14) such other information and assurances as the Secretary may require.

SEC. 5. SELECTION OF GRANTEES.

The Secretary shall award grants under this Act on the basis of the quality of the applications submitted under section 4, taking into consideration such factors as—

(1) the quality of the proposed curriculum and instructional practices for the mentor school;

(2) the organizational structure and management of the mentor school;

(3) the quality of the plan for assessing the progress made by students served by a mentor school over the period of the grant;

(4) the extent of community support for the application;

(5) the likelihood that the mentor school will meet the objectives of such school and improve educational results for students; and

(6) the assurances submitted pursuant to section 4(b)(13).

SEC. 6. EVALUATION.

(a) IN GENERAL.—From the amount appropriated under section 7 for each fiscal year, the Secretary shall make available to the Comptroller General 1 percent of such amount to enable the Comptroller General to enter into a contract with an evaluating agency for the evaluation of the mentor schools program under this Act. Such evaluation shall measure the academic competence and social development of students attending mentor schools, including school attendance levels, student achievement levels, drop out rates, college admissions, incidences of teenage pregnancy, and incidences of incarceration.

(b) REPORT.—The evaluating agency entering into the contract described in subsection (a) shall submit a report to the Congress not later than September 30, 2002, regarding the results of the evaluation conducted in accordance with such subsection.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated $300,000,000 for fiscal year 1996 and such sums as may be necessary for each of the fiscal years 1997, 1998, 1999, and 2000 to carry out this Act.

(b) AVAILABILITY.—Funds appropriated under subsection (a) shall remain available until expended.

S. 1206

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Adoption Assistance Act''.

TITLE I—GENERAL ADOPTION ASSISTANCE

SEC. 101. REFUNDABLE CREDIT FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

''SEC. 35. ADOPTION EXPENSES.

''(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year the amount of the qualified adoption expenses paid or incurred by the taxpayer during such taxable year.

''(b) LIMITATIONS.—

''(1) DOLLAR LIMITATION.—The aggregate amount of qualified adoption expenses which may be taken into account under subsection (a) with respect to the adoption of a child shall not exceed $5,000.

''(2) INCOME LIMITATION.—The amount allowable as a credit under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so allowable (determined without regard to this paragraph but with regard to paragraph (1)) as—

''(A) the amount (if any) by which the taxpayer's adjusted gross income (determined without regard to sections 911, 931, and 933) exceeds $60,000, bears to

''(B) $40,000.

''(3) DENIAL OF DOUBLE BENEFIT.—

''(A) IN GENERAL.—No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowable under any other provision of this chapter.

''(B) GRANTS.—No credit shall be allowed under subsection (a) for any expense to the extent that funds for such expense are received under any Federal, State, or local program.

''(c) QUALIFIED ADOPTION EXPENSES.—

''(1) IN GENERAL.—For purposes of this section, the term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses—

''(A) which are directly related to, and the principal purpose of which is for, the legal and final adoption of a child by the taxpayer, and

''(B) which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement.

''(2) EXPENSES FOR ADOPTION OF SPOUSE'S CHILD NOT ELIGIBLE.—The term 'qualified adoption expenses' shall not include any expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse.

''(d) MARRIED COUPLES MUST FILE JOINT RETURNS, ETC.—Rules similar to the rules of paragraphs (2), (3), and (4) of section 21(e) shall apply for purposes of this section.''

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period '', or from section 35 of such Code''.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the last item and inserting the following:

''Sec. 35. Adoption expenses.

''Sec. 36. Overpayments of tax.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

TITLE II—ADOPTION ASSISTANCE FOR FEDERAL EMPLOYEES

SEC. 201. REIMBURSEMENT FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subpart G of part III of title 5, United States Code, is amended by adding at the end the following:

''CHAPTER 90—MISCELLANEOUS EMPLOYEE BENEFITS

''9001. Adoption benefits.

''§ 9001. Adoption benefits

''(a) For the purpose of this section—

''(1) the term 'agency' means—

''(A) an Executive agency;

''(B) an agency in the judicial branch; and

''(C) an agency in the legislative branch (other than any included under subparagraph (A));

''(2) the term 'employee' does not include any individual who, pursuant to the exercise of any authority under section 8913(b), is excluded from participating in the health insurance program under chapter 89; and

''(3) the term 'adoption expenses', as used with respect to a child, means any reasonable and necessary expenses directly relating to the adoption of such child, including—

''(A) fees charged by an adoption agency;

''(B) placement fees;

''(C) legal fees;

''(D) counseling fees;

''(E) medical expenses, including those relating to obstetrical care for the biological mother, medical care for the child, and physical examinations for the adopting parent or parents;

''(F) foster-care charges; and

''(G) transportation expenses.

''(b) The head of each agency shall by regulation establish a program under which any employee of such agency who adopts a child shall be reimbursed for any adoption expenses incurred by such employee in the adoption of such child.

''(c) Under the regulations, reimbursement may be provided only—

''(1) after the adoption becomes final, as determined under the laws of the jurisdiction governing the adoption;

''(2) if, at the time the adoption becomes final, the child is under 18 years of age and unmarried; and

''(3) if appropriate written application is filed within such time, complete with such information, and otherwise in accordance with such procedures as may be required.

''(d)(1) Reimbursement for an employee under this section with respect to any particular child—

''(A) shall be payable only if, or to the extent that, similar benefits paid (or payable) under one or more programs established under State law or another Federal statute have not met (or would not meet) the full amount of the adoption expenses incurred; and

''(B) may not exceed $2,000.

''(2)(A) In any case in which both adopting parents are employees eligible for reimbursement under this section, each parent shall be eligible for an amount determined in accordance with paragraph (1), except as provided in subparagraph (B).

''(B) No amount shall be payable under this section if, or to the extent that, payment of such amount would cause the sum of the total amount payable to the adoptive parents under this section, and the total amount paid (or payable) to them under any program or programs referred to in paragraph (1)(A), to exceed the lesser of—

''(i) the total adoption expenses incurred; or

''(ii) $4,000.

''(3) The guidelines issued under subsection (g) shall include provisions relating to interagency cooperation and other appropriate measures to carry out this subsection.

''(e) Any amount payable under this section shall be paid from the appropriation or fund used to pay the employee involved.

''(f) An application for reimbursement under this section may not be denied based on the marital status of the individual applying.

''(g)(1) The Office of Personnel Management may issue any general guidelines which the Office considers necessary to promote the uniform administration of this section.

''(2) The regulations prescribed by the head of each Executive agency under this section shall be consistent with any guidelines issued under paragraph (1).

''(3) Upon the request of any agency, the Office may provide consulting, technical, and any other similar assistance necessary to carry out this section.''.

(b) CONFORMING AMENDMENTS.—(1) The heading of subpart G of part III of title 5, United States Code, is amended to read as follows:

''SUBPART G—ANNUITIES, INSURANCE, AND MISCELLANEOUS BENEFITS''.

(2) The analysis for part III of title 5, United States Code, is amended—

(A) by striking the item relating to subpart G and inserting in lieu thereof the following:

''SUBPART G—ANNUITIES, INSURANCE, AND MISCELLANEOUS BENEFITS''; and

(B) by adding after the item relating to chapter 89 the following:

''90. Miscellaneous Employee Benefits 9001''.

SEC. 202. APPLICABILITY TO POSTAL EMPLOYEES.

Section 1005 of title 39, United States Code, is amended by adding at the end the following:

''(g) Section 9001 of title 5 shall apply to the Postal Service. Regulations prescribed by the Postal Service to carry out this subsection shall be consistent with any guidelines issued under subsection (g)(1) of such section.''.

SEC. 203. EFFECTIVE DATE.

This title shall take effect on October 1, 1995, and shall apply with respect to any adoption which becomes final (determined in the manner described in section 9001(c)(1) of title 5, United States Code, as added by this title) on or after that date.

TITLE III—EXCLUSION OF ADOPTION ASSISTANCE

SEC. 301. EXCLUSION OF ADOPTION ASSISTANCE.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by redesignating section 137 as section 138 and by inserting after section 136 the following new section:

''SEC. 137. ADOPTION ASSISTANCE.

''(a) IN GENERAL.—Gross income of an employee does not include employee adoption assistance benefits, or military adoption assistance benefits, received by the employee with respect to the employee's adoption of a child.

''(b) DEFINITIONS.—For purposes of this section—

''(1) EMPLOYEE ADOPTION ASSISTANCE BENEFITS.—The term 'employee adoption assistance benefits' means payment by an employer of qualified adoption expenses with respect to an employee's adoption of a child, or reimbursement by the employer of such qualified adoption expenses paid or incurred by the employee in the taxable year.

''(2) EMPLOYER AND EMPLOYEE.—The terms 'employer' and 'employee' have the respective meanings given such terms by section 127(c).

''(3) MILITARY ADOPTION ASSISTANCE BENEFITS.—The term 'military adoption assistance benefits' means benefits provided under section 1052 of title 10, United States Code, or section 514 of title 14, United States Code.

''(4) QUALIFIED ADOPTION EXPENSES.—

''(A) IN GENERAL.—The term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses—

''(i) which are directly related to, and the principal purpose of which is for, the legal adoption of an eligible child by the taxpayer, and

''(ii) which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement.

''(B) ELIGIBLE CHILD.—The term 'eligible child' means any individual—

''(i) who has not attained age 18 as of the time of the adoption, or

''(ii) who is physically or mentally incapable of caring for himself.

''(c) COORDINATION WITH OTHER PROVISIONS.—The Secretary shall issue regulations to coordinate the application of this section with the application of any other provision of this title which allows a credit or deduction with respect to qualified adoption expenses.''

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking the item relating to section 137 and inserting the following new items:

''Sec. 137. Adoption assistance.

''Sec. 138. Cross references to other Acts.''

(c) EFFECTIVE DATE.—The amendments made this section shall apply to taxable years beginning after December 31, 1995.

S. 1207

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Family Reconciliation Act''.

SEC. 2. SET-ASIDE FOR STATES WITH APPROVED FAMILY RECONCILIATION PLANS.

(a) IN GENERAL.—

(1) SET-ASIDE.—Section 430(d) of the Social Security Act (42 U.S.C. 629(d)) is amended by adding at the end the following new paragraph:

''(4) FAMILY RECONCILIATION.—The Secretary shall reserve 10 percent of the amounts described in subsection (b) for each fiscal year, for allotment to States with family reconciliation plans approved under section 432(c)(3) to develop and conduct counseling programs described in section 432(c)(2)(B).''.

(2) ASSISTANCE IN DEVELOPING FAMILY RECONCILIATION COUNSELING PROGRAMS.—Section 430(d)(1) of such Act (42 U.S.C. 629(d)(1)) is amended—

(A) in subparagraph (A), by striking ''and'' at the end;

(B) in subparagraph (B), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following new subparagraph:

''(C) in assisting States in developing and operating counseling programs described in section 432(c)(2)(B).''.

(3) FAMILY RECONCILIATION PLANS.—Section 432 of such Act (42 U.S.C. 629(b)) is amended by adding at the end the following new subsection:

''(c) FAMILY RECONCILIATION PLANS.—

''(1) PLAN REQUIREMENTS.—A State family reconciliation plan meets the requirements of this paragraph if the plan demonstrates that the State has in effect the laws referred to in paragraph (2).

''(2) SATISFACTION OF PLAN REQUIREMENTS.—In order to satisfy paragraph (1), a State must have in effect laws requiring that, prior to a final dissolution of marriage of a couple who have one or more children under 12 years of age, the couple shall be required to—

''(A) undergo a minimum 60-day waiting period beginning on the date dissolution documents are filed; and

''(B) participate in counseling programs offered by a public or private counseling service that includes discussion of the psychological and economic impact of the divorce on the couple, the children of the couple, and society.''.

''(3) APPROVAL OF PLANS.—The Secretary shall approve a plan that meets the requirements of paragraph (1).''.

(4) ALLOTMENT.—Section 433 of such Act (42 U.S.C. 633) is amended by adding at the end the following new subsection:

''(d) ALLOTMENTS TO STATES WITH APPROVED FAMILY RECONCILIATION PLANS.—

''(1) IN GENERAL.—From the amount reserved pursuant to section 430(d)(4) for any fiscal year, the Secretary shall allot to each State (other than an Indian tribe) with a family reconciliation plan approved under section 432(c)(3), an amount that bears the same ratio to the amount reserved under such section as the average annual number of final dissolutions of marriage described in paragraph (2) in the State for the 3 fiscal years referred to in subsection (c)(2)(B) bears to the average annual number of such final dissolutions of marriage in such 3-year period in all States with family reconciliation plans approved under section 432(c)(3).

''(2) FINAL DISSOLUTIONS OF MARRIAGE DESCRIBED.—For purposes of paragraph (1), a final dissolution of marriage described in this paragraph is a final dissolution of marriage of a couple who have one or more children under 12 years of age.''.

(5) ENTITLEMENT.—

(A) IN GENERAL.—Section 434(a) of such Act (42 U.S.C. 629d(a)) is amended by adding at the end the following new paragraph:

''(3) FAMILY RECONCILIATION AMOUNT.—Each State with a family reconciliation plan approved under section 432(c)(3) shall be entitled to an amount equal to the allotment of the State under section 433(d) for the fiscal year.

(B) CONFORMING AMENDMENT.—Section 434(a) of such Act (42 U.S.C. 629d(a)) is amended by striking ''paragraph (2)'' and inserting ''paragraphs (2) and (3)''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1995.

SEC. 3. USE OF FUNDS UNDER LEGAL SERVICES CORPORATION ACT.

Section 1007(b) of the Legal Services Corporation Act (42 U.S.C. 2996f(b)) is amended—

(1) in paragraph (9), by striking ''; or'' and inserting a semicolon;

(2) in paragraph (10), by striking the period and inserting ''; or''; and

(3) by adding at the end the following:

''(11) to provide legal assistance to an eligible client with respect to a proceeding or litigation in which the client seeks to obtain a dissolution of a marriage or a legal separation from a spouse, except that nothing in this paragraph shall prohibit a recipient from providing legal assistance to the client with respect to the proceeding or litigation if a court of appropriate jurisdiction has determined that the spouse has physically or mentally abused the client.''.

S. 1208

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1986.

(a) SHORT TITLE.—This Act may be cited as the ''Family Fairness Act''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. ADDITIONAL EARNED INCOME CREDIT FOR MARRIED INDIVIDUALS.

(a) IN GENERAL.—Paragraph (1) of section 32(a) (relating to earned income credit) is amended to read as follows:

''(1) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the sum of—

''(A) in the case of an eligible individual, an amount equal to the credit percentage of so much of the taxpayer's earned income for the taxable year as does not exceed the earned income amount, and

''(B) in the case of an eligible married individual, the applicable percentage of $1,000.''.

(b) APPLICABLE PERCENTAGE.—Section 32(b) (relating to percentages and amounts) is amended by adding at the end the following new paragraph:

''(3) APPLICABLE PERCENTAGE.—The applicable percentage for any taxable year is equal to 100 percent reduced (but not below 0 percent) by 10 percentage points for each $1,000 (or fraction thereof) by which the taxpayer's earned income for such taxable year exceeds $16,000.''.

(c) ELIGIBLE MARRIED INDIVIDUALS.—Section 32(c) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

''(4) ELIGIBLE MARRIED INDIVIDUALS.—The term 'eligible married individual' means an eligible individual—

''(A) who is married (as defined in section 7703) and who has lived together with the individual's spouse at all times during such marriage during the taxable year, and

''(B) has earned income for the taxable year of at least $8,500.''.

(d) CONFORMING AMENDMENTS.—

(1) Section 32(a)(2) is amended by striking ''paragraph (1)'' and inserting ''paragraph (1)(A)''.

(2) Section 32(j) is amended to read as follows:

''(j) INFLATION ADJUSTMENTS.—

''(1) IN GENERAL.—In the case of any taxable year beginning after the applicable calendar year, each dollar amount referred to in paragraph (2)(B) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3), for the calendar year in which the taxable year begins, by substituting for 'calendar year 1992' in subparagraph (B) thereof—

''(i) 'calendar year 1993' in the case of the dollar amounts referred to in paragraph (2)(B)(i), and

''(ii) 'calendar year 1995' in the case of the dollar amounts referred to in paragraph (2)(B)(ii).

''(2) DEFINITIONS, ETC.—For purposes of paragraph (1)—

''(A) APPLICABLE CALENDAR YEAR.—The term 'applicable calendar year' means—

''(i) 1994 in the case of the dollar amounts referred to in paragraph (2)(B)(i), and

''(ii) 1996 in the case of the dollar amounts referred to in paragraph (2)(B)(ii).

''(B) DOLLAR AMOUNTS.—The dollar amounts referred to in this subparagraph are—

''(i) each dollar amount contained in subsection (b)(2)(A), and

''(ii) the $16,000 amount contained in subsection (b)(3) and the dollar amount contained in subsection (c)(4)(B).

''(3) ROUNDING.—If any dollar amount after being increased under paragraph (1) is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10 (or, if such dollar amount is a multiple of $5, such dollar amount shall be increased to the next higher multiple of $10).''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 3. EARNED INCOME CREDIT DENIED TO INDIVIDUALS NOT AUTHORIZED TO BE EMPLOYED IN THE UNITED STATES.

(a) IN GENERAL.—Section 32(c)(1) (relating to individuals eligible to claim the earned income tax credit) is amended by adding at the end the following new subparagraph:

''(F) IDENTIFICATION NUMBER REQUIREMENT.—The term 'eligible individual' does not include any individual who does not include on the return of tax for the taxable year—

''(i) such individual's taxpayer identification number, and

''(ii) if the individual is married (within the meaning of section 7703), the taxpayer identification number of such individual's spouse.''.

(b) SPECIAL IDENTIFICATION NUMBER.—Section 32 is amended by adding at the end the following new subsection:

''(l) IDENTIFICATION NUMBERS.—Solely for purposes of paragraphs (1)(F) and (3)(D) of subsection (c), a taxpayer identification number means a social security number issued to an individual by the Social Security Administration (other than a social security number issued pursuant to clause (II) (or that portion of clause (III) that relates to clause (II)) of section 205(c)(2)(B)(i) of the Social Security Act).''.

(c) EXTENSION OF PROCEDURES APPLICABLE TO MATHEMATICAL OR CLERICAL ERRORS.—Section 6213(g)(2) (relating to the definition of mathematical or clerical errors) is amended by striking ''and' at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting '', and'', and by inserting after subparagraph (E) the following new subparagraph:

''(F) an omission of a correct taxpayer identification number required under section 23 (relating to credit for families with younger children) or section 32 (relating to the earned income tax credit) to be included on a return.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 4. REPEAL OF EARNED INCOME CREDIT FOR INDIVIDUALS WITHOUT CHILDREN.

(a) IN GENERAL.—Subparagraph (A) of section 32(c)(1) (defining eligible individual) is amended to read as follows:

''(A) IN GENERAL.—The term 'eligible individual' means any individual who has a qualifying child for the taxable year.''.

(b) CONFORMING AMENDMENTS.—Each of the tables contained in paragraphs (1) and (2) of section 32(b) are amended by striking the items relating to no qualifying children.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 6. RULES RELATING TO DENIAL OF EARNED INCOME CREDIT ON BASIS OF DISQUALIFIED INCOME.

(a) DEFINITION OF DISQUALIFIED INCOME.—Paragraph (2) of section 32(i) (defining disqualified income) is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'' and by adding at the end the following new subparagraphs:

''(D) capital gain net income,

''(E) the excess (if any) of—

''(i) the aggregate income from all passive activities for the taxable year (determined without regard to any amount described in a preceding subparagraph), over

''(ii) the aggregate losses from all passive activities for the taxable year (as so determined), and

''(F) amounts includible in gross income under section 652 or 662 for the taxable year to the extent not taken into account under any preceding subparagraph.

For purposes of subparagraph (E), the term 'passive activity' has the meaning given such term by section 469.''.

(b) DECREASE IN AMOUNT OF DISQUALIFIED INCOME ALLOWED.—Paragraph (1) of section 32(i) (relating to denial of credit) is amended by striking ''$2,350'' and inserting ''$1,000''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 7. MODIFICATION OF ADJUSTED GROSS INCOME DEFINITION FOR EARNED INCOME CREDIT.

(a) IN GENERAL.—Subparagraph (B) of section 32(a)(2) (relating to limitation) is amended by striking ''adjusted gross income'' and inserting ''modified adjusted gross income''.

(b) MODIFIED ADJUSTED GROSS INCOME DEFINED.—Section 32(c) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

''(5) MODIFIED ADJUSTED GROSS INCOME.—The term 'modified adjusted gross income' means adjusted gross income, increased by the sum of—

''(A) social security benefits (as defined in section 86(d)) received to the extent not includible in gross income,

''(B) amounts received by (or on behalf of) a spouse pursuant to a divorce or separation instrument (as defined in section 71(b)(2)) which, under the terms of the instrument, are fixed as payable for the support of the children of the payor spouse (as determined under section 71(c)),

''(C) interest received or accrued during the taxable year which is exempt from tax imposed by this chapter, and

''(D) any amount received by a participant or beneficiary under a qualified retirement plan (as defined in section 4974(c)) to the extent not includible in gross income.

Subparagraph (D) shall not apply to any amount received if the recipient transfers such amount in a rollover contribution described in section 402(c), 403(a)(4), 403(b)(8), or 408(d)(3).''

(c) STUDY.—The Secretary of the Treasury shall conduct a study of the Federal tax treatment of child support payments to determine whether or not changes in such treatment are necessary. The Secretary shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives the results of the study, including recommendations (if any) which the Secretary determines appropriate to encourage payment of child support liabilities by parents and to make both parents more responsible for a child's economic well-being.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 8. EARNED INCOME CREDIT NOT ALLOWED UNTIL RECEIPT OF EMPLOYER'S WITHHOLDING STATEMENT.

(a) IN GENERAL.—Section 6401(b) (relating to excessive credits treated as overpayments) is amended by adding at the end the following new paragraph:

''(3) SPECIAL RULE FOR EARNED INCOME CREDIT.—For purposes of paragraph (1), the earned income credit allowed under section 32 shall not be treated as a credit allowable under subpart C of part IV of subchapter A of chapter 1 unless the Secretary is able to verify the amount of such credit by comparing it with—

''(A) information returns filed with the Secretary under section 6051(d) by employees of the individual claiming the credit,

''(B) self-employment tax returns filed with the Secretary under section 6017, or

''(C) both.

The preceding sentence shall apply to any advanced payment of the earned income credit under section 3507.''

(b) EFFECTIVE DATE; STUDY.—

(1) IN GENERAL.—The amendment made by this section shall apply to taxable years beginning after December 31, 1996.

(2) STUDY.—The Secretary of the Treasury shall conduct a study to determine the delays (if any) which would result in the processing of Federal income tax returns by reason of the amendment made by this section. Not later than 1 year after the date of the enactment of this Act, the Secretary shall report the results of the study to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives, including recommendations (if any) on ways to shorten any delay.

SEC. 9. PREVENTION OF FRAUD IN ELECTRONIC RETURNS.

(a) IN GENERAL.—The Secretary of the Treasury shall provide that any person applying to be an electronic return originator on or after the date of the enactment of this Act shall not be approved unless the applicant provides fingerprints and credit information to the satisfaction of the Secretary.

(b) PAST APPLICANTS.—The Secretary of the Treasury shall apply the requirements described in subsection (a) to electronic return originators whose applications were approved before the date of the enactment of this Act without fingerprints and credit check information being provided.

S. 1209

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENTS TO SOCIAL SECURITY ACT.

(a) SHORT TITLE.—This Act may be cited as the ''Responsible Parenthood Act of 1995''.

(b) AMENDMENTS TO THE SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this Act an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

SEC. 2. INTEGRATION OF FAMILY PLANNING AND MATERNAL AND CHILD HEALTH SERVICES.

(a) INCREASE IN FUNDING.—Section 501(a) (42 U.S.C. 701(a)) is amended in the matter preceding paragraph (1) by striking ''$686,000,000'' and inserting ''$886,000,000''.

(b) RESERVATION OF CERTAIN AMOUNTS.—Section 502 (42 U.S.C. 702) is amended by striking ''$600,000,000'' each place it appears and inserting ''$800,000,000''.

SEC. 3. ABSTINENCE SERVICES.

(a) PROVISION AND PROMOTION OF ABSTINENCE SERVICES.—Section 501(a)(1) (42 U.S.C. 701(a)(1)) is amended—

(1) in subparagraph (C), by striking ''and'' at the end;

(2) in subparagraph (D), by inserting ''and'' at the end; and

(3) by adding the following new subparagraph:

''(E) to provide and to promote family-centered, community-based services and information regarding the delay or discontinuation of premarital sexual activity, particularly among adolescents, and to provide adoption-related services and promote adoption as an acceptable alternative for pregnant unmarried individuals.''.

(b) MINIMUM AMOUNT FOR ABSTINENCE SERVICES.—Section 504 (42 U.S.C. 704) is amended by adding the following new subsection:

''(e) Of the amounts paid to a State under section 503 from an allotment for a fiscal year under section 502(c), not less than 100 percent of such amounts (including the fair market value of any supplies or equipment) as were used under this title in the preceding fiscal year to provide family planning services shall be used to provide services described in section 501(a)(1)(E).''.

(c) NEEDS ASSESSMENT FOR ABSTINENCE SERVICES.—Section 505(a)(1) (42 U.S.C. 705(a)(1)) is amended—

(1) in subparagraph (B), by striking ''and'' at the end;

(2) in subparagraph (C), by adding ''and'' at the end; and

(3) by adding at the end the following new subparagraph:

''(D) services and information regarding the delay or discontinuation of premarital sexual activity, particularly among adolescents, and regarding adoption.''.

SEC. 4. USE OF FUNDS.

(a) PROHIBITION OF USE FOR FAMILY PLANNING SERVICES IN SCHOOLS.—Section 504(b) (42 U.S.C. 704(b)) is amended—

(1) in paragraph (5), by striking ''or'' at the end;

(2) in paragraph (6)(B), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following new paragraphs:

''(7) to provide or promote family planning services in any elementary or secondary educational institution; or

''(8) to provide or promote any drug or device except for a use that has been approved by the Food and Drug Administration.''.

(b) NO FUNDING OF PROGRAMS OR PROJECTS THAT PROVIDE ABORTION SERVICES.—Section 504 (42 U.S.C. 704), as amended by section 3(b), is amended by adding at the end the following new subsections:

''(f)(1) Payments under this title may be made only to programs or projects that—

''(A) do not provide abortions or abortion counseling or referral;

''(B) do not subcontract with or make any payment to any person who provides abortions or abortion counseling or referral (except that any such program or project may provide referral for abortion counseling to a pregnant adolescent if such adolescent and the parents or guardians of such adolescent request such referral); or

''(C) do not advocate, promote, or encourage abortion.

''(2) The Secretary shall ascertain whether programs or projects comply with paragraph (1) and take appropriate action if programs or projects do not comply with such paragraph, including withholding of funds.

''(g) A State shall ensure, to the maximum extent possible, family participation in the receipt of services provided under section 501(a)(1) and shall ensure that an entity that receives funds under this title shall comply with any State law that requires—

''(1) involvement of a family member prior to the provision of services related to family planning or abortion; and

''(2) reporting of civil or criminal offenses involving child abuse or statutory rape.

''(h) The acceptance by any individual of family planning services or family planning or population growth information (including educational materials) provided through financial assistance under this title shall be voluntary and shall not be a prerequisite to eligibility for or receipt of any other service or assistance from, or to participation in, any other program of the entity or individual that provided such service or information.''.

SEC. 5. APPLICATION FOR BLOCK GRANT FUNDS.

Section 505(a)(5) (42 U.S.C. 705(a)(5)) is amended—

(1) by redesignating subparagraph (F) as subparagraph (I); and

(2) by inserting after subparagraph (F) the following subparagraphs:

''(G) the State will provide a description of how the applicant will, as appropriate to the provision of family planning services or services provided under section 501(e)(1)(A)—

''(i) involve families of adolescents in a manner that will maximize the role of the family in the solution of problems relating to the parenthood or pregnancy of the adolescent; and

''(ii) involve religious and charitable organizations, voluntary associations, and other groups in the private sector as well as services provided by publicly sponsored initiatives;

''(H)(i) the State will provide assurances that—

''(I) except as provided in clause (ii), and subject to subclause (II), the applicant will notify the parents or guardians of any unemancipated minor requesting services from the applicant and will obtain the permission of such parents or guardians with respect to the provision of such services; and

''(II) in the case of a pregnant unemancipated minor requesting services from a recipient of funds under this title, the recipient will notify the parents or guardians of such minor under subclause (I) within a reasonable period of time; and

''(ii) the State will provide assurances that the applicant will not notify or request the permission of the parent or guardian of any unemancipated minor without the consent of the minor—

''(I) who solely is requesting from the applicant pregnancy testing or testing or treatment for venereal disease;

''(II) who is the victim of incest involving a parent; or

''(III) if an adult sibling of the minor or an adult aunt, uncle, or grandparent who is related to the minor by blood certifies to the recipient that notification of the parent or guardian of such minor would result in physical injury to such minor.''.

SEC. 6. REPORTS AND AUDITS.

(a) REPORT BY STATE.—Section 506(a)(2) (42 U.S.C. 706(a)(2)) is amended by adding after subparagraph (E) the following new subparagraph:

''(F) Information (as prescribed by the Secretary) on the State's activities in connection with the services described in section 501(a)(1)(E).''.

(b) REPORT BY SECRETARY.—Section 506(a)(3) (42 U.S.C. 706(a)(3)) is amended—

(1) in subparagraph (D), by striking ''and'' at the end;

(2) in subparagraph (E), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following new subparagraph:

''(F) information on the State's activities in connection with the services described in section 501(a)(1)(E).''.

SEC. 7. EVALUATION.

Title V (42 U.S.C. 701 et seq.) is amended by adding at the end the following new section:

''EVALUATION

''SEC. 510. (a) Of amounts allotted to a State under section 502(c) in a fiscal year that the State estimates will be expended on family planning services and the services described in section 501(a)(1)(E) for such year the State shall reserve—

''(1) not less than 2 percent and not more than 4 percent of such amounts for an annual evaluation of activities carried out under this title and the effectiveness of such activities in reducing sexual activity, pregnancies, and births among unmarried individuals, particularly adolescents; and

''(2) not less than 2 percent and not more than 4 percent of such amounts for an annual longitudinal study by an independent research organization of the activities carried out under this title and the effectiveness of such activities in reducing sexual activity, pregnancies, and births among unmarried individuals, particularly adolescents.

''(b)(1) Each State shall submit the evaluations and studies conducted under this section to the Secretary.

''(2) The Secretary shall submit a summary of each evaluation and study submitted under paragraph (1) to the appropriate committees of the Congress.''.

SEC. 8. DEFINITION OF FAMILY.

Section 501(b) (42 U.S.C. 701(b)) is amended by adding at the end the following new paragraph:

''(5) The term 'family' means a child under the age of 19, the biological or adoptive parents of the child, the legal guardian of the child, or a responsible relative or caretaker with whom the child regularly resides, the siblings of the child, and other individuals living in the child's home.''.

SEC. 9. REPEAL OF CERTAIN PROGRAMS.

(a) REPEAL OF POPULATION RESEARCH AND VOLUNTARY FAMILY PLANNING PROGRAMS.—Title X of the Public Health Service Act (42 U.S.C. 300 et seq.) is repealed.

(b) REPEAL OF ADOLESCENT FAMILY LIFE DEMONSTRATION PROJECTS.—Title XX of the Public Health Service Act (42 U.S.C. 300z et seq.) is repealed.

SEC. 10. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on October 1, 1995.

S. 1210

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Educational Choice and Equity Act of 1995''.

SEC. 2. PURPOSE.

The purpose of this Act is to determine the effects on students and schools of providing financial assistance to low-income parents to enable such parents to select the public or private schools their children will attend.

SEC. 3. DEFINITIONS.

As used in this Act—

(1) the term ''choice school'' means any public or private school, including a private sectarian school or a public charter school, that is involved in a demonstration project assisted under this Act;

(2) the term ''eligible child'' means a child in grades 1 through 12 who is eligible for free or reduced price lunches under the National School Lunch Act (42 U.S.C. 1751 et seq.);

(3) the term ''eligible entity'' means a public agency, institution, or organization, such as a State, a State or local educational agency, a consortium of public agencies, or a consortium of public and private nonprofit organizations, that can demonstrate, to the satisfaction of the Secretary, its ability to—

(A) receive, disburse, and account for Federal funds; and

(B) carry out the activities described in its application under this Act;

(4) the term ''evaluating agency'' means any academic institution, consortium of professionals, or private or nonprofit organization, with demonstrated experience in conducting evaluations, that is not an agency or instrumentality of the Federal Government;

(5) the term ''local educational agency'' has the meaning given that term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801);

(6) the term ''parent'' includes a legal guardian or other individual acting in loco parentis;

(7) the term ''school'' means a school that provides elementary education or secondary education (through grade 12), as determined under State law; and

(8) the term ''Secretary'' means the Secretary of Education.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $600,000,000 for fiscal year 1996 and such sums as may be necessary for each of the fiscal years 1997, 1998, 1999, and 2000 to carry out this Act.

SEC. 5. PROGRAM AUTHORIZED.

(a) RESERVATION.—From the amount appropriated pursuant to the authority of section 4 in any fiscal year, the Secretary shall reserve and make available to the Comptroller General of the United States 2 percent for evaluation of the demonstration projects assisted under this Act in accordance with section 11.

(b) GRANTS.—

(1) IN GENERAL.—From the amount appropriated pursuant to the authority of section 4 and not reserved under subsection (a) for any fiscal year, the Secretary shall award grants to eligible entities to enable such entities to carry out at least 100 demonstration projects under which low-income parents receive education certificates for the costs of enrolling their eligible children in a choice school.

(2) AMOUNT.—The Secretary shall award grants under paragraph (1) for fiscal year 1996 in amounts of $5,000,000 or less.

(3) CONTINUING ELIGIBILITY.—The Secretary shall continue a demonstration project under this Act by awarding a grant under paragraph (1) to an eligible entity that received such a grant for a fiscal year preceding the fiscal year for which the determination is made, if the Secretary determines that such eligible entity was in compliance with this Act for such preceding fiscal year.

(c) USE OF GRANTS.—Grants awarded under subsection (b) shall be used to pay the costs of—

(1) providing education certificates to low-income parents to enable such parents to pay the tuition, the fees, the allowable costs of transportation, if any, and the costs of complying with section 9(a)(1), if any, for their eligible children to attend a choice school; and

(2) administration of the demonstration project, which shall not exceed 15 percent of the amount received under the grant for the first fiscal year for which the eligible entity provides education certificates under this Act or 10 percent of such amount for any subsequent year, including—

(A) seeking the involvement of choice schools in the demonstration project;

(B) providing information about the demonstration project, and the schools involved in the demonstration project, to parents of eligible children;

(C) making determinations of eligibility for participation in the demonstration project for eligible children;

(D) selecting students to participate in the demonstration project;

(E) determining the amount of, and issuing, education certificates;

(F) compiling and maintaining such financial and programmatic records as the Secretary may prescribe; and

(G) collecting such information about the effects of the demonstration project as the evaluating agency may need to conduct the evaluation described in section 11.

(d) SPECIAL RULE.—Each school participating in a demonstration project under this Act shall comply with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) which prohibits discrimination on the basis of race, color, or national origin.

SEC. 6. AUTHORIZED PROJECTS; PRIORITY.

(a) AUTHORIZED PROJECTS.—The Secretary may award a grant under this Act only for a demonstration project that—

(1) involves at least one local educational agency that—

(A) receives funds under section 1124A of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6334); and

(B) is among the 20 percent of local educational agencies receiving funds under section 1124A of such Act (20 U.S.C. 6334) in the State that have the highest number of children described in section 1124(c) of such Act (20 U.S.C. 6333(c)); and

(2) includes the involvement of a sufficient number of public and private choice schools, in the judgment of the Secretary, to allow for a valid demonstration project.

(b) PRIORITY.—In awarding grants under this Act, the Secretary shall give priority to demonstration projects—

(1) in which choice schools offer an enrollment opportunity to the broadest range of eligible children;

(2) that involve diverse types of choice schools; and

(3) that will contribute to the geographic diversity of demonstration projects assisted under this Act, including awarding grants for demonstration projects in States that are primarily rural and awarding grants for demonstration projects in States that are primarily urban.

SEC. 7. APPLICATIONS.

(a) IN GENERAL.—Any eligible entity that wishes to receive a grant under this Act shall submit an application to the Secretary at such time and in such manner as the Secretary may prescribe.

(b) CONTENTS.—Each application described in subsection (a) shall contain—

(1) information demonstrating the eligibility of the eligible entity for participation in the demonstration project;

(2) with respect to choice schools—

(A) a description of the standards used by the eligible entity to determine which public and private schools are within a reasonable commuting distance of eligible children and present a reasonable commuting cost for such eligible children;

(B) a description of the types of potential choice schools that will be involved in the demonstration project;

(C)(i) a description of the procedures used to encourage public and private schools to be involved in the demonstration project; and

(ii) a description of how the eligible entity will annually determine the number of spaces available for eligible children in each choice school;

(D) an assurance that each choice school will not impose higher standards for admission or participation in its programs and activities for eligible children provided education certificates under this Act than the choice school does for other children;

(E) an assurance that each choice school operated, for at least 1 year prior to accepting education certificates under this Act, an educational program similar to the educational program for which such choice school will accept such education certificates;

(F) an assurance that the eligible entity will terminate the involvement of any choice school that fails to comply with the conditions of its involvement in the demonstration project; and

(G) a description of the extent to which choice schools will accept education certificates under this Act as full or partial payment for tuition and fees;

(3) with respect to the participation in the demonstration project of eligible children—

(A) a description of the procedures to be used to make a determination of the eligibility of an eligible child for participation in the demonstration project, which shall include—

(i) the procedures used to determine eligibility for free or reduced price lunches under the National School Lunch Act (42 U.S.C. 1751 et seq.); or

(ii) any other procedure, subject to the Secretary's approval, that accurately establishes the eligibility of an eligible child for such participation;

(B) a description of the procedures to be used to ensure that, in selecting eligible children to participate in the demonstration project, the eligible entity will—

(i) apply the same criteria to both public and private school eligible children; and

(ii) give priority to eligible children from the lowest income families;

(C) a description of the procedures to be used to ensure maximum choice of schools for participating eligible children, including procedures to be used when—

(i) the number of parents provided education certificates under this Act who desire to enroll their eligible children in a particular choice school exceeds the number of eligible children that the choice school will accept; and

(ii) grant funds and funds from local sources are insufficient to support the total cost of choices made by parents with education certificates under this Act; and

(D) a description of the procedures to be used to ensure compliance with section 9(a)(1), which may include—

(i) the direct provision of services by a local educational agency; and

(ii) arrangements made by a local educational agency with other service providers;

(4) with respect to the operation of the demonstration project—

(A) a description of the geographic area to be served;

(B) a timetable for carrying out the demonstration project;

(C) a description of the procedures to be used for the issuance and redemption of education certificates under this Act;

(D) a description of the procedures by which a choice school will make a pro rata refund of the education certificate under this Act for any participating eligible child who withdraws from the school for any reason, before completing 75 percent of the school attendance period for which the education certificate was issued;

(E) a description of the procedures to be used to provide the parental notification described in section 10;

(F) an assurance that the eligible entity will place all funds received under this Act into a separate account, and that no other funds will be placed in such account;

(G) an assurance that the eligible entity will provide the Secretary periodic reports on the status of such funds;

(H) an assurance that the eligible entity will cooperate with the Comptroller General of the United States and the evaluating agency in carrying out the evaluations described in section 11; and

(I) an assurance that the eligible entity will—

(i) maintain such records as the Secretary may require; and

(ii) comply with reasonable requests from the Secretary for information; and

(5) such other assurances and information as the Secretary may require.

SEC. 8. EDUCATION CERTIFICATES.

(a) EDUCATION CERTIFICATES.—

(1) AMOUNT.—The amount of an eligible child's education certificate under this Act shall be determined by the eligible entity, but shall be an amount that provides to the recipient of the education certificate the maximum degree of choice in selecting the choice school the eligible child will attend.

(2) CONSIDERATIONS.—

(A) IN GENERAL.—Subject to such regulations as the Secretary shall prescribe, in determining the amount of an education certificate under this Act an eligible entity shall consider—

(i) the additional reasonable costs of transportation directly attributable to the eligible child's participation in the demonstration project; and

(ii) the cost of complying with section 9(a)(1).

(B) SCHOOLS CHARGING TUITION.—If an eligible child participating in a demonstration project under this Act was attending a public or private school that charged tuition for the year preceding the first year of such participation, then in determining the amount of an education certificate for such eligible child under this Act the eligible entity shall consider—

(i) the tuition charged by such school for such eligible child in such preceding year; and

(ii) the amount of the education certificates under this Act that are provided to other eligible children.

(3) SPECIAL RULE.—An eligible entity may provide an education certificate under this Act to the parent of an eligible child who chooses to attend a school that does not charge tuition or fees, to pay the additional reasonable costs of transportation directly attributable to the eligible child's participation in the demonstration project or the cost of complying with section 9(a)(1).

(b) ADJUSTMENT.—The amount of the education certificate for a fiscal year may be adjusted in the second and third years of an eligible child's participation in a demonstration project under this Act to reflect any increase or decrease in the tuition, fees, or transportation costs directly attributable to that eligible child's continued attendance at a choice school, but shall not be increased for this purpose by more than 10 percent of the amount of the education certificate for the fiscal year preceding the fiscal year for which the determination is made. The amount of the education certificate may also be adjusted in any fiscal year to comply with section 9(a)(1).

(c) MAXIMUM AMOUNT.—Notwithstanding any other provision of this section, the amount of an eligible child's education certificate shall not exceed the per pupil expenditure for elementary or secondary education, as appropriate, by the local educational agency in which the public school to which the eligible child would normally be assigned is located for the fiscal year preceding the fiscal year for which the determination is made.

(d) INCOME.—An education certificate under this Act, and funds provided under the education certificate, shall not be treated as income of the parents for purposes of Federal tax laws or for determining eligibility for any other Federal program.

SEC. 9. EFFECT ON OTHER PROGRAMS; USE OF SCHOOL LUNCH DATA; CONSTRUCTION PROVISIONS.

(a) EFFECT ON OTHER PROGRAMS.—

(1) IN GENERAL.—An eligible child participating in a demonstration project under this Act, who, in the absence of such a demonstration project, would have received services under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.) shall be provided such services.

(2) PART B OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.—Nothing in this Act shall be construed to affect the requirements of part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

(3) COUNTING OF ELIGIBLE CHILDREN.—Notwithstanding any other provision of law, any local educational agency participating in a demonstration project under this Act may count eligible children who, in the absence of such a demonstration project, would attend the schools of such agency, for purposes of receiving funds under any program administered by the Secretary.

(b) USE OF SCHOOL LUNCH DATA.—Notwithstanding section 9 of the National School Lunch Act (42 U.S.C. 1751 et seq.), an eligible entity receiving a grant under this Act may use information collected for the purpose of determining eligibility for free or reduced price lunches to determine an eligible child's eligibility to participate in a demonstration project under this Act and, if needed, to rank families by income, in accordance with section 7(b)(3)(B)(ii). All such information shall otherwise remain confidential, and information pertaining to income may be disclosed only to persons who need that information for the purposes of a demonstration project under this Act.

(c) CONSTRUCTION PROVISIONS.—

(1) OTHER INSTITUTIONS.—Nothing in this Act shall be construed to supersede or modify any provision of a State constitution or State law that prohibits the expenditure of public funds in or by religious or other private institutions, except that no provision of a State constitution or State law shall be construed or applied to prohibit—

(A) any eligible entity receiving funds under this Act from using such funds to pay the administrative costs of a demonstration project under this Act; or

(B) the expenditure in or by religious or other private institutions of any Federal funds provided under this Act.

(2) DESEGREGATION PLANS.—Nothing in this Act shall be construed to interfere with any desegregation plans that involve school attendance areas affected by this Act.

(3) PROHIBITION OF FEDERAL DIRECTOR, SUPERVISION OR CONTROL.—Nothing in this Act shall be construed to authorize the Secretary or any employee, officer, or agency of the Department of Education to exercise any direction, supervision, or control over the curriculum, program of instruction, or personnel decisions of any educational institution or school participating in a demonstration project assisted under this Act.

SEC. 10. PARENTAL NOTIFICATION.

Each eligible entity receiving a grant under this Act shall provide timely notice of the demonstration project to parents of eligible children residing in the area to be served by the demonstration project. At a minimum, such notice shall—

(1) describe the demonstration project;

(2) describe the eligibility requirements for participation in the demonstration project;

(3) describe the information needed to make a determination of eligibility for participation in the demonstration project for an eligible child;

(4) describe the selection procedures to be used if the number of eligible children seeking to participate in the demonstration project exceeds the number that can be accommodated in the demonstration project;

(5) provide information about each choice school participating in the demonstration project, including information about any admission requirements or criteria for each choice school participating in the demonstration project; and

(6) include the schedule for parents to apply for their eligible children to participate in the demonstration project.

SEC. 11. EVALUATION.

(a) ANNUAL EVALUATION.—

(1) CONTRACT.—The Comptroller General of the United States shall enter into a contract, with an evaluating agency that has demonstrated experience in conducting evaluations, for the conduct of an ongoing rigorous evaluation of the demonstration projects under this Act.

(2) ANNUAL EVALUATION REQUIREMENT.—The contract described in paragraph (1) shall require the evaluating agency entering into such contract to annually evaluate each demonstration project under this Act in accordance with the evaluation criteria described in subsection (b).

(3) TRANSMISSION.—The contract described in paragraph (1) shall require the evaluating agency entering into such contract to transmit to the Comptroller General of the United States—

(A) the findings of each annual evaluation under paragraph (1); and

(B) a copy of each report received pursuant to section 12(a) for the applicable year.

(b) EVALUATION CRITERIA.—The Comptroller General of the United States, in consultation with the Secretary, shall establish minimum criteria for evaluating the demonstration projects under this Act. Such criteria shall provide for—

(1) a description of the implementation of each demonstration project under this Act and the demonstration project's effects on all participants, schools, and communities in the demonstration project area, with particular attention given to the effect of parent participation in the life of the school and the level of parental satisfaction with the demonstration project; and

(2) a comparison of the educational achievement of all students in the demonstration project area, including a comparison of—

(A) students receiving education certificates under this Act; and

(B) students not receiving education certificates under this Act.

SEC. 12. REPORTS.

(a) REPORT BY GRANT RECIPIENT.—Each eligible entity receiving a grant under this Act shall submit to the evaluating agency entering into the contract under section 11(a)(1) an annual report regarding the demonstration project under this Act. Each such report shall be submitted at such time, in such manner, and accompanied by such information, as such evaluating agency may require.

(b) REPORTS BY COMPTROLLER GENERAL.—

(1) ANNUAL REPORTS.—The Comptroller General of the United States shall report annually to the Congress on the findings of the annual evaluation under section 11(a)(2) of each demonstration project under this Act. Each such report shall contain a copy of—

(A) the annual evaluation under section 11(a)(2) of each demonstration project under this Act; and

(B) each report received under subsection (a) for the applicable year.

(2) FINAL REPORT.—The Comptroller General shall submit a final report to the Congress within 9 months after the conclusion of the demonstration projects under this Act that summarizes the findings of the annual evaluations conducted pursuant to section 11(a)(2).

S. 1211

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Restitution Responsibility Act''.

SEC. 2. GRANT PROGRAM.

(a) IN GENERAL.—The Attorney General is authorized to provide grants to States to enable the States to—

(1) collect data on victim restitution over a specified period of time as determined by the Attorney General;

(2) create or expand automated data systems to track restitution payments;

(3) make improvements in the manner in which restitution is ordered and collected; and

(4) enhance and expand methods of enforcement of restitution orders.

(b) ELIGIBILITY.—To be eligible to receive a grant under this Act, a State shall—

(1) submit an application to the Attorney General, in such form as the Attorney General shall require, that meets the requirements of subsection (c); and

(2) certify that the State has a victim advocacy program that—

(A) provides assistance to victims of crime throughout the judicial process; and

(B) provides courts with a victim impact statement prior to sentencing.

(c) APPLICATION.—An application meets the requirements of this subsection if it includes—

(1) a description of the State's victim advocacy program;

(2) a description of the method by which the State compiles or will compile data on restitution, including information on—

(A) restitution amounts ordered and collected;

(B) collection rates for incarcerated offenders and offenders who are on probation;

(C) collection rates for offenders committing felonies and for those committing misdemeanors; and

(D) rates of partial and full payment rates of collection;

(3) documentation of a State's current problems in ordering, collecting, and enforcing restitution;

(4) a description of State laws and practices related to restitution;

(5) a description of administrative and legislative options to improve ordering, collecting, and enforcing restitution;

(6) a description of the State's proposal to create or expand an automated data processing system to track restitution payments;

(7) a description of the State's plan to improve the ordering of restitution, including—

(A) provisions to ensure that courts order restitution whenever a victim suffers economic loss as a result of unlawful conduct by a defendant;

(B) provisions to ensure that restitution is ordered in the full amount of the victim's loss, as determined by the court;

(C) the prioritization of restitution in the ordering and disbursing of fees; and

(D) such other provisions consistent with the purposes of this Act;

(8) a description of how the State will improve collection of restitution payments, including—

(A) the establishment of a central accounting, billing, and collection system that tracks the offender's obligations and status in meeting those obligations;

(B) a process by which information about an offender's restitution payments is made available to probation officials;

(C) adopting methods to ensure payments such as automatic docketing, billing, wage withholding, privatization of collection, withholding State grant privileges, or seizure of state income tax refunds; and

(D) other provisions consistent with the purposes of this Act;

(9) a description of how the State will enforce restitution payments, including—

(A) assigning an agency responsible for the enforcement of a restitution order;

(B) adopting policies to increase the intensity of sanctions if an offender defaults on payments, including—

(i) revoking a term of probation or parole;

(ii) modifying the terms or conditions of probation or parole;

(iii) holding a defendant in contempt of court;

(iv) entering a restraining order or injunction; or

(v) ordering the sale of property of the defendant;

(C) adopting procedures to ensure restitution orders are entered as civil judgments upon entry to allow a victim to execute judgment if restitution payments are delinquent;

(D) such other provisions consistent with the purposes of this Act; and

(10) the establishment of a community restitution fund administered by a State agency into which restitution payments are made by an offender (in addition to victim restitution payments) and can be used to pay indigent offenders for performing public service work.

(d) WAIVER.—The Attorney General may waive the requirements under subsection (c) for a State that demonstrates sufficient cause for lack of compliance.

(e) GRANT PERIOD.—A grant under this Act shall be awarded for a period of not more than 5 years.

SEC. 3. REPORT.

Each State receiving a grant under this Act shall submit an annual report to the Attorney General that includes an evaluation of the progress of the projects funded through the grant, an accounting of expenditures, and such other provisions as may be required by the Attorney General. The Attorney General shall issue an annual report to Congress that includes the information submitted by States under this section.

SEC. 4. EVALUATION.

(a) FINAL EVALUATION.—Within a month after the award of the first grant made under this Act, the Attorney General shall contract with an independent organization to do a final evaluation of the projects funded by this Act at the end of 5 years.

(b) INTERIM EVALUATION.—The Attorney General shall conduct an interim evaluation of the projects funded by this Act 3 years after the first grant made under this Act.

(c) CONTENT OF REPORTS.—The reports required by subsections (a) and (b) shall include the following information:

(1) An evaluation of data collection efforts.

(2) An assessment of whether ordering of restitution increased and whether prioritizing restitution in fees collected improved restitution payments.

(3) An analysis of whether the project was successful in improving significantly restitution collection rates.

(4) An evaluation of most effective methods in improving restitution collection and in enforcing restitution payments.

(5) An analysis of how effective automated data systems were in increasing restitution collection.

(6) An analysis of States' use of the community restitution fund and its effectiveness

in ensuring indigent offenders pay restitution.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $10,000,000 in each of fiscal years 1997, 1998, 1999, 2000, and 2001 to carry out this Act.

S. 1212

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. SHORT TITLE.

This Act may be cited as the ''Assets for Independence Act''.

SEC. 2. FINDINGS.

The Congress finds that—

(1) traditional welfare programs in the United States have provided millions of low-income persons with critically needed food, health, and cash benefits, and such programs should be improved and continued;

(2) while such programs have sustained millions of low-income persons, too rarely have such programs been successful in promoting and supporting the transition to economic self-sufficiency;

(3) millions of Americans continue to live in poverty and continue to receive public assistance;

(4) in addition to the social costs of poverty, the economic costs to the Federal Government to provide basic necessities to the poor exceeds $120,000,000,000 each year;

(5) poverty is a loss of human resources and an assault on human dignity;

(6) poverty rates remain high and welfare dependency continues, in part, because welfare theory has taken for granted that a certain level of income or consumption is necessary for one's economic well-being when, in fact, very few people manage to spend or consume their way out of poverty;

(7) economic well-being does not come solely from income, spending, and consumption, but also requires savings, investment, and accumulation of assets, since assets can improve economic stability, connect people with a viable and hopeful future, stimulate development of human and other capital, enable people to focus and specialize, yield personal, social, and political dividends, and enhance the welfare of offspring;

(8) income-based welfare policy should be complemented with asset-based welfare policy, because while income-based policies ensure that present consumption needs (including food, child care, rent, clothing, and health care) are met, asset-based policies provide the means to achieve economic self-sufficiency and, accordingly, to leave public assistance;

(9) there is reason to believe that the financial returns, including increased income, tax revenue, and decreased welfare cash assistance, of individual development accounts will far exceed the cost of the investment;

(10) the Federal Government spends more than $160,000,000,000 each year to provide middle- and upper-income persons with incentives to accumulate savings and assets (including tax subsidies for home equity accumulation and retirement pension accounts), but such benefits are beyond the reach of most low-income persons;

(11) under current welfare policies, poor families must deplete most of their assets before qualifying for public assistance;

(12) the Federal Government should develop policies that promote higher rates of personal savings and net private domestic investment, both of which fall behind the levels attained in other highly developed industrial nations; and

(13) the Federal Government should undertake an asset-based welfare policy demonstration project to determine the social, civic, psychological, and economic effects of asset accumulation opportunities for low-income persons, families, and communities, and to determine if such a policy could provide a new foundation for antipoverty policies and programs in the United States.

SEC. 3. INDIVIDUAL DEVELOPMENT ACCOUNT DEMONSTRATION PROJECTS.

(a) PURPOSE.—The purpose of this section is to provide for the establishment of demonstration projects designed to determine—

(1) the social, civic, psychological, and economic effects of providing to individuals and families with limited means an incentive to accumulate assets;

(2) the extent to which an asset-based welfare policy that promotes saving for education, homeownership, and microenterprise may be used to enable individuals and families with low income to achieve economic self-sufficiency; and

(3) the extent to which an asset-based welfare policy improves the community in which participating individuals and families live.

(b) APPLICATIONS.—

(1) SUBMISSION.—

(A) IN GENERAL.—Not later than 12 months after the date of the enactment of this Act, a qualified entity may submit to the Secretary an application to conduct a demonstration project under this section.

(B) QUALIFIED ENTITY.—For purposes of this Act, the term ''qualified entity'' means either—

(i) a not-for-profit organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; or

(ii) a State or local government agency submitting an application under such subparagraph jointly with an organization described in clause (i).

(2) CRITERIA.—In considering whether to approve any application to conduct a demonstration project under this section, the Secretary shall assess the following:

(A) SUFFICIENCY OF PROJECT.—The degree to which the project described in the application appears likely to aid project participants in achieving economic self-sufficiency through activities requiring qualified expenses (as defined in section 529(c)(1) of the Internal Revenue Code of 1986, as added by section 4 of this Act). In making such assessment, the Secretary shall consider the overall quality of project activities in making any particular kind or combination of qualified expenses (as so defined) to be an essential feature of any project.

(B) ADMINISTRATIVE ABILITY.—The ability of the applicant to responsibly administer the project.

(C) ABILITY TO ASSIST PARTICIPANTS.—The ability of the applicant to assist project participants to achieve economic self-sufficiency through the development of assets.

(D) COMMITMENT OF NON-FEDERAL FUNDS.—The aggregate amount of direct funds from non-Federal public sector and private sources that are formally committed to the project.

(E) ADEQUACY OF PLAN FOR PROVIDING INFORMATION FOR EVALUATION.—The adequacy of the plan for providing information relevant to an evaluation of the project.

(F) OTHER FACTORS.—Such other factors as the Secretary may specify.

(3) PREFERENCES.—In considering an application to conduct a demonstration project under this section, the Secretary shall give preference to any application that—

(A) demonstrates the willingness and ability to select individuals described in subsection (e) who are predominantly from households in which a child (or children) is living with the child's biological or adoptive mother or father, legal guardian, or a responsible adult relative with whom the child regularly resides;

(B) provides a commitment of non-Federal funds with a proportionately greater amount of funds committed by private sector sources; and

(C) targets such individuals residing within 1 or more relatively well-defined communities or neighborhoods that experience low rates of income or employment.

(4) APPROVAL.—Not later than 15 months after the date of the enactment of this Act, the Secretary shall, on a competitive basis, approve such applications to conduct demonstration projects under this section as the Secretary deems appropriate, taking into account the assessments required by paragraphs (2) and (3). The Secretary is encouraged to ensure that the applications that are approved involve a wide range of communities (both rural and urban) and diverse populations.

(c) DEMONSTRATION AUTHORITY; ANNUAL GRANTS.—

(1) DEMONSTRATION AUTHORITY.—If the Secretary approves an application to conduct a demonstration project under this section, the Secretary shall, not later than 16 months after the date of the enactment of this Act, authorize the applicant to conduct the project for 4 project years in accordance with the approved application and this section.

(2) GRANT AUTHORITY.—For each project year of a demonstration project conducted under this section, the Secretary shall make a grant to the qualified entity authorized to conduct the project on the first day of the project year in an amount not to exceed the greater of—

(A) the aggregate amount of funds committed by non-Federal sources; or

(B) $1,000,000.

(3) LIMITATION ON GRANT AMOUNTS PER PROJECT.—The amount of each grant for a project approved under this section shall not exceed $10,000,000.

(d) RESERVE FUND.—

(1) ESTABLISHMENT.—Each qualified entity grantee under this section shall establish a Reserve Fund which shall be maintained in accordance with this subsection.

(2) AMOUNTS IN RESERVE FUND.—

(A) IN GENERAL.—As soon after receipt as is practicable, a qualified entity grantee shall deposit in the Reserve Fund established under paragraph (1)—

(i) all funds provided to the qualified entity grantee by any public or private source in connection with the demonstration project; and

(ii) the proceeds from any investment made under paragraph (3)(B).

(B) INDIVIDUAL DEVELOPMENT ACCOUNT PENALTIES.—

(i) PENALTY AMOUNTS AUTHORIZED TO BE APPROPRIATED FOR PAYMENT TO THE RESERVE FUND.—With respect to the Reserve Fund established by a qualified entity grantee that provides financial assistance under subsection (g) to any individual who pays, or from whose individual development account is paid, a penalty amount, there is hereby appropriated to the Reserve Fund, without fiscal year limitation, an amount equal to such penalty amount.

(ii) PAYMENT TO RESERVE FUND OF PENALTY AMOUNTS APPROPRIATED THEREFORE.—The Secretary shall make quarterly estimated payments to the Reserve Fund of any penalty amount appropriated pursuant to clause (i).

(C) UNIFORM ACCOUNTING REGULATIONS.—The Secretary shall prescribe regulations with respect to accounting for amounts in Reserve Funds.

(3) USE OF RESERVE FUND.—

(A) IN GENERAL.—A qualified entity grantee shall use the amounts in the Reserve Fund established under paragraph (1) to—

(i) assist participants in the demonstration project in obtaining the skills and information necessary to achieve economic self-sufficiency through activities requiring qualified expenses (as so defined);

(ii) provide financial assistance in accordance with subsection (g) to individuals selected by the qualified entity grantee to participate in the project;

(iii) administer the project; and

(iv) provide the research organization evaluating the project under subsection (k) with such information with respect to the project as may be required for the evaluation.

(B) AUTHORITY TO INVEST FUNDS.—

(i) GUIDELINES.—The Secretary shall establish guidelines for investing amounts in Reserve Funds in a manner that provides high liquidity and low risk.

(ii) INVESTMENT.—A qualified entity grantee shall invest the amounts in its Reserve Fund that are not immediately needed to carry out the provisions of subparagraph (A), in accordance with guidelines established under clause (i).

(C) LIMITATION ON USES.—Not more than 7.5 percent of the amounts provided to a qualified entity grantee under subsection (c)(2) shall be used by the qualified entity grantee for the purposes described in clauses (i), (iii), and (iv) of paragraph (3)(A), except that if 2 or more qualified entities are jointly administering a project, no qualified entity grantee shall use more than its proportional share for such purposes.

(4) UNUSED FEDERAL GRANT FUNDS TRANSFERRED TO THE SECRETARY WHEN PROJECT TERMINATES.—Notwithstanding paragraph (3), upon the termination of any demonstration project authorized under this section, the qualified entity grantee conducting the project shall transfer to the Secretary an amount equal to—

(A) the amounts in its Reserve Fund at time of the termination; multiplied by

(B) a percentage equal to—

(i) the aggregate amount of grants made to the qualified entity grantee under subsection (c)(2); divided by

(ii) the aggregate amount of all moneys provided to the qualified entity grantee by all sources to conduct the project.

(e) ELIGIBILITY FOR ASSISTANCE.—

(1) IN GENERAL.—Any individual who is a member of a household that meets the following requirements shall be eligible for assistance under a demonstration project conducted under this section:

(A) INCOME TEST.—The adjusted gross income of the household did not exceed the income limits established under section 32(b)(2) of the Internal Revenue Code of 1986.

(B) NET WORTH TEST.—

(i) IN GENERAL.—The net worth of the household, as of the close of the calendar year preceding the determination of eligibility, does not exceed $20,000.

(ii) DETERMINATION OF NET WORTH.—For purposes of clause (i), the net worth of a household is the amount equal to—

(I) the aggregate market value of all assets that are owned in whole or in part by any member of the household, minus

(II) the obligations or debts of any member of the household.

(2) INDIVIDUALS UNABLE TO COMPLETE THE PROJECT.—The Secretary shall establish such regulations as are necessary, including prohibiting eligibility for further assistance under a demonstration project conducted under this section, to ensure compliance with this section if an individual participating in the demonstration project moves from the community in which the project is conducted or is otherwise unable to continue participating in the project.

(f) SELECTION OF INDIVIDUALS TO RECEIVE ASSISTANCE.—From among the individuals eligible for assistance under a demonstration project conducted under this section, each qualified entity grantee shall select the individuals—

(1) whom the qualified entity grantee deems to be best suited to receive such assistance; and

(2) to whom the qualified entity grantee will provide financial assistance in accordance with subsection (g).

(g) PROVISION OF FINANCIAL ASSISTANCE.—

(1) IN GENERAL.—Not less than once a month during each project year, each qualified entity grantee under this section shall deposit in the individual development account of each individual participating in the project an amount—

(A) from the grant made under subsection (c)(2), equal to the amount of earned income (as defined in section 911(d)(2) of the Internal Revenue Code of 1986) deposited during the month by the individual in the individual's development account, and

(B) from the non-Federal funds described in subsection (b)(2)(D), equal to the amount described in subparagraph (A).

(2) LIMITATION ON FINANCIAL ASSISTANCE TO INDIVIDUAL.—Not more than $2,000 from a grant made under subsection (c)(2) shall be provided to any 1 individual.

(3) LIMITATION ON FINANCIAL ASSISTANCE TO HOUSEHOLD.—Not more than $4,000 from a grant made under subsection (c)(2) shall be provided to any 1 household.

(4) WITHDRAWAL OF FUNDS.—The Secretary shall establish such regulations as may be necessary to ensure that funds held in an individual development account are not withdrawn except for 1 or more of the qualified expenses specified in section 529(c)(1) of the Internal Revenue Code of 1986 (as added by section 4 of this Act). Such regulations shall include a requirement that a responsible official of the qualified entity grantee conducting a project approve such withdrawal in writing.

(h) LOCAL CONTROL OVER DEMONSTRATION PROJECTS.—Each qualified entity grantee under this section shall, subject to the provisions of subsection (j), have sole authority over the administration of the project. The Secretary may prescribe only such regulations with respect to demonstration projects under this section as are necessary to ensure compliance with the approved applications and this section.

(i) SEMIANNUAL PROGRESS REPORTS.—

(1) IN GENERAL.—Each qualified entity grantee under this section shall prepare semiannual reports on the progress of the project. Each report shall specify for the semiannual period covered by the report the following information:

(A) The number of individuals making a deposit into an individual development account.

(B) Information on the amounts in the Reserve Fund established with respect to the project.

(C) The amounts deposited in the individual development accounts.

(D) The amounts withdrawn from the individual development accounts and the purposes for which such amounts were withdrawn.

(E) The balances remaining in the individual development accounts.

(F) Such other information as the Secretary may require to evaluate the project.

(2) SUBMISSION OF REPORTS.—The qualified entity grantee shall submit each report required to be prepared under paragraph (1) to—

(A) the Secretary; and

(B) the Treasurer (or equivalent official) of the State in which the project is conducted, if the State or local government committed funds to the demonstration project.

(3) TIMING.—The first report required by paragraph (1) shall be submitted at the end of the 7-month period beginning on the date the Secretary authorized the qualified entity grantee to conduct the demonstration project, and subsequent reports shall be submitted every 6 months thereafter, until the conclusion of the project.

(j) SANCTIONS.—

(1) AUTHORITY TO TERMINATE DEMONSTRATION PROJECT.—If the Secretary determines that a qualified entity grantee under this section is not operating the project in accordance with the grantee's application or this section (and has not implemented any corrective recommendations directed by the Secretary), the Secretary shall terminate such grantee's authority to conduct the project.

(2) ACTIONS REQUIRED UPON TERMINATION.—If the Secretary terminates the authority to conduct a demonstration project, the Secretary—

(A) shall suspend the project;

(B) shall take control of the Reserve Fund established pursuant to subsection (d);

(C) shall make every effort to identify another qualified entity willing and able to conduct the project in accordance with the approved application (or, as modified, if necessary to incorporate the recommendations) and this section;

(D) shall, if the Secretary identifies such an entity—

(i) authorize the entity to conduct the project in accordance with the approved application (or, as modified, if necessary, to incorporate the recommendations) and this section;

(ii) transfer to the entity control over the Reserve Fund established pursuant to subsection (d); and

(iii) consider, for purposes of this section—

(I) such other entity to be the qualified entity originally authorized to conduct the project; and

(II) the date of such authorization to be the date of the original authorization; and

(E) if, by the end of the 1-year period beginning on the date of the termination, the Secretary has not found such a qualified entity, shall—

(i) terminate the project; and

(ii) from the amount remaining in the Reserve Fund established as part of the project, remit to each source that provided funds under subsection (b)(2)(D) to the entity originally authorized to conduct the project, an amount that bears the same ratio to the amount so remaining as the amount provided by the source under subsection (b)(2)(D) bears to the amount provided by all such sources under subsection (b)(2)(D).

(k) EVALUATIONS.—

(1) IN GENERAL.—Not later than 16 months after the date of the enactment of this Act, the Secretary shall enter into a contract with an independent research organization to evaluate, individually and as a group, all qualified entities and sources participating in the demonstration projects conducted under this section.

(2) FACTORS TO EVALUATE.—In evaluating any demonstration project conducted under this section, the research organization shall address the following factors:

(A) The savings account characteristics (such as threshold amounts and match rates) required to stimulate participation in the demonstration project, and how such characteristics vary among different populations or communities.

(B) What service configurations of the qualified entity grantee (such as peer support, structured planning exercises, mentoring, and case management) increase the rate and consistency of participation in the demonstration project and how such configurations vary among different populations or communities.

(C) The economic, civic, psychological, and social effects of asset accumulation, and how such effects vary among different populations or communities.

(D) The effects of individual development accounts on savings rates, homeownership, level of education attained, and self-employment, and how such effects vary among different populations or communities.

(E) The potential financial returns to the Federal Government and to other public sector and private sector investors in individual development accounts over a 5-year and 10-year period of time.

(F) The lessons to be learned from the demonstration projects conducted under this section and if a permanent program of individual development accounts should be established.

(G) Such other factors as may be prescribed by the Secretary.

(3) METHODOLOGICAL REQUIREMENTS.—In evaluating any demonstration project conducted under this section, the research organization shall—

(A) to the extent possible, use control groups to compare participants with nonparticipants;

(B) before, during, and after the project, obtain such quantitative data as are necessary to evaluate the project thoroughly; and

(C) develop a qualitative assessment, derived from sources such as in-depth interviews, of how asset accumulation affects individuals and families.

(4) REPORTS BY THE SECRETARY.—

(A) INTERIM REPORTS.—Not less than once during the 12-month period beginning on the date of the enactment of this Act, and during each 12-month period thereafter until all demonstration projects conducted under this section are completed, the Secretary shall submit to the Congress an interim report setting forth the results of the evaluations conducted pursuant to this subsection.

(B) FINAL REPORTS.—Not later than 12 months after the conclusion of all demonstration projects conducted under this section, the Secretary shall submit to the Congress a final report setting forth the results and findings of evaluations conducted pursuant to this subsection.

(5) EVALUATION EXPENSES.—The Secretary shall expend such sums as may be necessary to carry out the purposes of this subsection.

(l) DEFINITIONS.—As used in this section:

(1) APPLICABLE PERIOD.—The term ''applicable period'' means, with respect to amounts to be paid from a grant made for a project year, the calendar year immediately preceding the calendar year in which the grant is made.

(2) HOUSEHOLD.—The term ''household'' means all individuals who share use of a dwelling unit as primary quarters for living and eating separate from other individuals.

(3) INDIVIDUAL DEVELOPMENT ACCOUNT.—The term ''individual development account'' has the same meaning given such term in section 529 of the Internal Revenue Code of 1986, as added by section 4 of this Act.

(4) PENALTY AMOUNT.—The term ''penalty amount'' means any of the following:

(A) FINANCIAL ASSISTANCE FORFEITED.—Any amount paid into the general fund of the Treasury of the United States under section 529(e) of the Internal Revenue Code of 1986 (as so added).

(B) 10 PERCENT ADDITION TO TAX.—Any additional tax imposed by section 529(f) of the Internal Revenue Code of 1986 (as so added).

(C) OTHER EXCISE OR PENALTY TAXES.—Any tax imposed with respect to an individual development account by section 4973, 4975, or 6693 of the Internal Revenue Code of 1986.

(5) PROJECT YEAR.—The term ''project year'' means, with respect to a demonstration project, any of the 4 consecutive 12-month periods beginning on the date the project is originally authorized to be conducted.

(6) QUALIFIED SAVINGS OF THE INDIVIDUAL FOR THE PERIOD.—The term ''qualified savings of the individual for the period'' means the aggregate of the amounts contributed by the individual to the individual development account of the individual during the period.

(7) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

(m) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, the following amounts are authorized to be appropriated:

(1) $20,000,000 for fiscal year 1996.

(2) $30,000,000 for fiscal year 1997.

(3) $30,000,000 for fiscal year 1998.

(4) $20,000,000 for fiscal year 1999.

SEC. 4. INDIVIDUAL DEVELOPMENT ACCOUNTS.

(a) IN GENERAL.—Subchapter F of chapter 1 of the Internal Revenue Code of 1986 (relating to exempt organizations) is amended by adding at the end the following new part:

''PART VIII—INDIVIDUAL DEVELOPMENT ACCOUNTS

''Sec. 529. Individual development accounts.

''SEC. 529. INDIVIDUAL DEVELOPMENT ACCOUNTS.

''(a) ESTABLISHMENT OF ACCOUNTS.—

''(1) IN GENERAL.—An individual development account may be established by or on behalf of an eligible individual for the purpose of accumulating funds to pay the qualified expenses of such individual.

''(2) ELIGIBLE INDIVIDUAL.—

''(A) IN GENERAL.—The term 'eligible individual' means an individual for whom assistance is (or at any prior time was) provided by a qualified entity grantee under section 3(g) of the Assets for Independence Act.

''(B) QUALIFIED ENTITY.—The term 'qualified entity' has the meaning given such term by section 3(b)(1)(B) of such Act.

''(b) LIMITATIONS.—

''(1) ACCOUNT TO BENEFIT 1 INDIVIDUAL.—An individual development account may not be established for the benefit of more than 1 individual.

''(2) MULTIPLE ACCOUNTS.—If, at any time during a calendar year, 2 or more individual development accounts are maintained for the benefit of an eligible individual, such individual shall be treated as an eligible individual for the calendar year only with respect to the 1st of such accounts.

''(3) ANNUAL LIMIT.—Contributions to an individual development account for any taxable year shall not exceed $2,000. No contribution to the account under section 3(g) of the Assets for Independence Act shall be taken into account for purposes of this paragraph.

''(4) CONTRIBUTIONS TO BE FROM EARNED INCOME.—An eligible individual may only contribute to an account such amounts as are derived from earned income, as defined in section 911(d)(2).

''(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) QUALIFIED EXPENSES.—The term 'qualified expenses' means 1 or more of the following, as provided by the qualified entity providing assistance to the individual under section 3(g) of the Assets for Independence Act:

''(A) POSTSECONDARY EDUCATIONAL EXPENSES.—Postsecondary educational expenses paid from an individual development account directly to an eligible educational institution. For purposes of this subparagraph—

''(i) IN GENERAL.—The term 'post-secondary educational expenses' means—

''(I) tuition and fees required for the enrollment or attendance of a student at an eligible educational institution, and

''(II) fees, books, supplies, and equipment required for courses of instruction at an eligible educational institution.

''(ii) ELIGIBLE EDUCATIONAL INSTITUTION.—The term 'eligible educational institution' means the following:

''(I) INSTITUTION OF HIGHER EDUCATION.—An institution described in section 481(a)(1) or 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)(1) or 1141(a)), as such sections are in effect on the date of the enactment of this section.

''(II) POSTSECONDARY VOCATIONAL EDUCATION SCHOOL.—An area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of the enactment of this section.

''(B) FIRST-HOME PURCHASE.—Qualified acquisition costs with respect to a qualified principal residence for a qualified first-time homebuyer, if paid from an individual development account directly to the persons to whom the amounts are due. For purposes of this subparagraph—

''(i) QUALIFIED ACQUISITION COSTS.—The term 'qualified acquisition costs' means the costs of acquiring, constructing, or reconstructing a residence. The term includes any usual or reasonable settlement, financing, or other closing costs.

''(ii) QUALIFIED PRINCIPAL RESIDENCE.—The term 'qualified principal residence' means a principal residence (within the meaning of section 1034), the qualified acquisition costs of which do not exceed 100 percent of the average area purchase price applicable to such residence (determined in accordance with paragraphs (2) and (3) of section 143(e)).

''(iii) QUALIFIED FIRST-TIME HOMEBUYER.—

''(I) IN GENERAL.—The term 'qualified first-time homebuyer' means a taxpayer (and, if married, the taxpayer's spouse) who has no present ownership interest in a principal residence during the 3-year period ending on the date of acquisition of the principal residence to which this subparagraph applies.

''(II) DATE OF ACQUISITION.—The term 'date of acquisition' means the date on which a binding contract to acquire, construct, or reconstruct the principal residence to which this subparagraph applies is entered into.

''(C) BUSINESS CAPITALIZATION.—Amounts paid from an individual development account directly to a business capitalization account which is established in a federally insured financial institution and is restricted to use solely for qualified business capitalization expenses. For purposes of this subparagraph—

''(i) QUALIFIED BUSINESS CAPITALIZATION EXPENSES.—The term 'qualified business capitalization expenses' means qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

''(ii) QUALIFIED EXPENDITURES.—The term 'qualified expenditures' means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

''(iii) QUALIFIED BUSINESS.—The term 'qualified business' means any business that does not contravene any law or public policy (as determined by the Secretary).

''(iv) QUALIFIED PLAN.—The term 'qualified plan' means a business plan which—

''(I) is approved by a financial institution, or by a nonprofit loan fund having demonstrated fiduciary integrity,

''(II) includes a description of services or goods to be sold, a marketing plan, and projected financial statements, and

''(III) may require the eligible individual to obtain the assistance of an experienced entrepreneurial advisor.

''(D) TRANSFERS TO IDAS OF FAMILY MEMBERS.—Amounts paid from an individual development account directly into another such account established for the benefit of an eligible individual who is—

''(i) the taxpayer's spouse, or

''(ii) any dependent of the taxpayer with respect to whom the taxpayer is allowed a deduction under section 151.

''(2) INDIVIDUAL DEVELOPMENT ACCOUNT.—The term 'individual development account' means a trust created or organized in the United States exclusively for the purpose of paying the qualified expenses of an eligible individual, but only if the written governing instrument creating the trust meets the following requirements:

''(A) No contribution will be accepted unless it is in cash or by check.

''(B) The trustee is a federally insured financial institution.

''(C) The assets of the account will be invested in accordance with the direction of the eligible individual after consultation with the qualified entity providing assistance to the individual under section 3(g) of the Assets for Independence Act.

''(D) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

''(E) Except as provided in subparagraph (F), any amount in the account which is attributable to assistance provided under section 3(g) of the Assets for Independence Act may be paid or distributed out of the account only for the purpose of paying the qualified expenses of the eligible individual.

''(F) Any balance in the account on the day after the date on which the individual for whose benefit the trust is established dies shall be distributed within 30 days of such date as directed by such individual to another individual development account established for the benefit of an eligible individual.

''(3) TIME WHEN CONTRIBUTIONS DEEMED MADE.—A taxpayer shall be deemed to have made a contribution on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (including extensions thereof).

''(d) TAX TREATMENT OF DISTRIBUTIONS.—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, any amount paid or distributed out of an individual development account attributable to assistance provided under section 3(g) of the Assets for Independence Act (including earnings attributable to such assistance) shall be included in gross income of the payee or distributee for the taxable year in the manner provided in section 72.

''(2) DISTRIBUTION USED TO PAY QUALIFIED EXPENSES.—A payment or distribution out of an individual development account attributable to assistance provided under section 3(g) of the Assets for Independence Act shall not be included in gross income to the extent such payment or distribution is used exclusively to pay the qualified expenses incurred by the eligible individual for whose benefit the account is established.

''(3) ORDERING RULES.—Any distribution from an individual development account shall not be treated as made from the accumulated contributions made to the account by the eligible individual (including earnings attributable to such contributions) until all other amounts to the credit of the eligible individual have been distributed.

''(e) TAX TREATMENT OF ACCOUNTS.—

''(1) EXEMPTION FROM TAX.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), an individual development account is exempt from taxation under this title unless such account has ceased to be an individual development account by reason of paragraph (2). Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc. organizations).

''(B) CERTAIN EARNINGS TAXED AS GRANTOR TRUST.—An eligible individual shall be treated for purposes of this title as the owner of the individual development account established by or on behalf of such individual and shall be subject to tax thereon with respect to the earnings attributable to contributions made to the account by the eligible individual in accordance with subpart E of part I of subchapter J of this chapter (relating to grantors and others treated as substantial owners).

''(2) LOSS OF EXEMPTION OF ACCOUNT WHERE INDIVIDUAL ENGAGES IN PROHIBITED TRANSACTION.—

''(A) IN GENERAL.—If an eligible individual or qualified entity engages in any transaction prohibited by section 4975 with respect to such individual's account, the account shall cease to be an individual development account as of the 1st day of the taxable year of such individual during which such transaction occurs.

''(B) ACCOUNT TREATED AS DISTRIBUTING ALL ITS ASSETS.—In any case in which any account ceases to be an individual development account by reason of subparagraph (A) as of the 1st day of any taxable year—

''(i) all assets in the account on such 1st day which are attributable to assistance provided under section 3(g) of the Assets for Independence Act shall be paid into the general fund of the Treasury of the United States, and

''(ii) the remaining assets shall be treated as distributed on such 1st day.

''(3) EFFECT OF PLEDGING ACCOUNT AS SECURITY.—If, during any taxable year, an eligible individual or qualified entity uses such individual's account or any portion thereof as security for a loan—

''(A) an amount equal to the part of the portion so used which is attributable to assistance provided under section 3(g) of the Assets for Independence Act shall be paid into the general fund of the Treasury of the United States, and

''(B) the remaining part of the portion so used shall be treated as distributed to the eligible individual.

''(4) EFFECT OF LIEN OR OTHER SEIZURE OF ACCOUNT.—If, during any taxable year, a lien is placed on an individual development account, or the account is otherwise seized pursuant to legal or administrative process—

''(A) an amount equal to the part of the portion so seized which is attributable to assistance provided under section 3(g) of the Assets for Independence Act shall be paid into the general fund of the Treasury of the United States, and

''(B) the remaining part of the portion so seized shall be treated as distributed to the eligible individual.

''(f) ADDITIONAL TAX ON CERTAIN AMOUNTS INCLUDED IN GROSS INCOME.—

''(1) DISTRIBUTION NOT USED FOR QUALIFIED EXPENSES.—In the case of any payment or distribution not used exclusively to pay qualified expenses incurred by the eligible individual for whose benefit the individual development account is established, the tax liability of each payee or distributee under this chapter for the taxable year in which the payment or distribution is received shall be increased by an amount equal to 10 percent of the amount of the payment or distribution.

''(2) DISABILITY OR DEATH CASES.—Paragraph (1) shall not apply if the payment or distribution is made after the individual for whose benefit the individual development account becomes disabled within the meaning of section 72(m)(7) or dies.

''(g) COMMUNITY PROPERTY LAWS.—This section shall be applied without regard to any community property laws.

''(h) CUSTODIAL ACCOUNTS.—For purposes of this section, a custodial account shall be treated as a trust if the assets of such account are held by a bank (as defined in section 408(n)) or another person who demonstrates, to the satisfaction of the Secretary, that the manner in which such person will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute an individual development account described in subsection (c)(2). For purposes of this title, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

''(i) REPORTS.—The trustee of an individual development account shall—

''(1) prepare reports regarding the account with respect to contributions, distributions, and any other matter required by the Secretary under regulations, and

''(2) submit such reports, at the time and in the manner prescribed by the Secretary in regulations, to—

''(A) the eligible individual for whose benefit the account is maintained,

''(B) the qualified entity providing assistance to the individual under section 3(g) of the Assets for Independence Act, and

''(C) the Secretary.''

(b) DEDUCTION ALLOWED AGAINST GROSS INCOME.—Subsection (a) of section 62 (defining adjusted gross income) is amended by inserting after paragraph (15) the following new paragraph:

''(16) INDIVIDUAL DEVELOPMENT ACCOUNTS.—Except as provided in section 529, contributions to an individual development account established to provide assistance to the taxpayer under section 3(g) of the Assets for Independence Act.''

(c) CONTRIBUTION NOT SUBJECT TO GIFT TAX.—Section 2503 of such Code (relating to taxable gifts) is amended by adding at the end the following new subsection:

''(h) INDIVIDUAL DEVELOPMENT ACCOUNTS.—Any contribution made by an individual or qualified entity to an individual development account described in section 529(c)(2) shall not be treated as a transfer of property by gift for purposes of this chapter.''

(d) TAX ON PROHIBITED TRANSACTIONS.—Section 4975 of such Code (relating to prohibited transactions) is amended—

(1) by adding at the end of subsection (c) the following new paragraph:

''(4) SPECIAL RULE FOR INDIVIDUAL DEVELOPMENT ACCOUNTS.—An eligible individual for whose benefit an individual development account is established and any contributor to such account shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be an individual development account by reason of the application of section 529(e)(2)(A) to such account.'', and

(2) by inserting '', an individual development account described in section 529(c)(2),''

in subsection (e)(1) after ''described in section 408(a)''.

(e) FAILURE TO PROVIDE REPORTS ON INDIVIDUAL DEVELOPMENT ACCOUNTS.—Section 6693 of such Code (relating to failure to provide reports on individual retirement accounts or annuities) is amended—

(1) by inserting ''or on individual development accounts'' after ''annuities'' in the heading of such section, and

(2) by adding at the end of subsection (a) the following new sentence: ''The person required by section 529(i) to file a report regarding an individual development account at the time and in the manner required by such section shall pay a penalty of $50 for each failure, unless it is shown that such failure is due to reasonable cause.''

(f) SPECIAL RULE FOR DETERMINING AMOUNTS OF SUPPORT FOR DEPENDENT.—Subsection (b) of section 152 of such Code (relating to definition of dependent) is amended by adding at the end the following new paragraph:

''(6) A distribution from an individual development account described in section 529(c)(2) to the eligible individual for whose benefit such account has been established shall not be taken into account in determining support for purposes of this section to the extent such distribution is excluded from gross income of such individual under section 529(d)(2).''

(g) CLERICAL AMENDMENTS.—

(1) The table of parts for subchapter F of chapter 1 of such Code is amended by inserting at the end the following new item:

''Part VIII. Individual development accounts.''

(2) The table of sections for subchapter B of chapter 68 of such Code is amended by striking the item relating to section 6693 and inserting the following new item:

''Sec. 6693. Failure to provide reports on individual retirement accounts or annuities or on individual development accounts.''

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after the date of the enactment of this Act.

SEC. 5. FUNDS IN INDIVIDUAL DEVELOPMENT ACCOUNTS OF DEMONSTRATION PROJECT PARTICIPANTS DISREGARDED FOR PURPOSES OF ALL MEANS-TESTED FEDERAL PROGRAMS.

Notwithstanding any Federal law (other than the Internal Revenue Code of 1986) that requires consideration of 1 or more financial circumstances of an individual, for the purpose of determining eligibility to receive, or the amount of, any assistance or benefit authorized by such law to be provided to or for the benefit of such individual, funds (including interest accruing) in an individual development account (as defined in section 529 of the Internal Revenue Code of 1986, as added by section 4 of this Act) shall be disregarded for such purpose with respect to any period during which such individual participates in a demonstration project conducted under section 3 of this Act (or would be participating in such a project but for the suspension of the project).

S. 1213

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Urban Homestead Act of 1995''.

SEC. 2. DEFINITIONS.

For purposes of this Act, the following definitions shall apply:

(1) COMMUNITY DEVELOPMENT CORPORATION.—The term ''community development corporation'' means a nonprofit organization whose primary purpose is to promote community development by providing housing opportunities to low-income families.

(2) COST RECOVERY BASIS.—The term ''cost recovery basis'' means, with respect to any sale of a project or residence by a unit of general local government to a community development corporation under section 3(c)(2), that the purchase price paid by the community development corporation is less than or equal to the costs incurred by the unit of general local government in connection with such project or residence during the period beginning on the date on which the unit of general local government acquires title to the multifamily housing project or residential property under subsection (a) and ending on the date on which the sale is consummated.

(3) LOW-INCOME FAMILIES.—The term ''low-income families'' has the same meaning as in section 3(b) of the United States Housing Act of 1937.

(4) MULTIFAMILY HOUSING PROJECT.—The term ''multifamily housing project'' has the same meaning as in section 203 of the Housing and Community Development Amendments of 1978.

(5) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

(6) SEVERE PHYSICAL PROBLEMS.—A dwelling unit shall be considered to have ''severe physical problems'' if such unit—

(A) lacks hot or cold piped water, a flush toilet, or both a bathtub and a shower in the unit, for the exclusive use of that unit;

(B) on not less than 3 separate occasions, during the preceding winter months was uncomfortably cold for a period of more than 6 consecutive hours due to a malfunction of the heating system for the unit;

(C) has no functioning electrical service, exposed wiring, any room in which there is not a functioning electrical outlet, or has experienced not less than 3 blown fuses or tripped circuit breakers during the preceding 90-day period;

(D) is accessible through a public hallway in which there are no working light fixtures, loose or missing steps or railings, and no elevator; or

(E) has severe maintenance problems, including water leaks involving the roof, windows, doors, basement, or pipes or plumbing fixtures, holes or open cracks in walls or ceilings, severe paint peeling or broken plaster, and signs of rodent infestation.

(7) SINGLE FAMILY RESIDENCE.—The term ''single family residence'' means a 1- to 4-family dwelling that is held by the Secretary.

(8) SUBSTANDARD MULTIFAMILY HOUSING PROJECT.—A multifamily housing project is ''substandard'' if not less than 25 percent of the dwelling units of the project have severe physical problems.

(9) UNIT OF GENERAL LOCAL GOVERNMENT.—The term ''unit of general local government'' has the same meaning as in section 102(a) of the Housing and Community Development Act of 1974.

(10) UNOCCUPIED MULTIFAMILY HOUSING PROJECT.—The term ''unoccupied multifamily housing project'' means a multifamily housing project that the unit of general local government certifies in writing is not inhabited.

SEC. 3. DISPOSITION OF UNOCCUPIED AND SUBSTANDARD PUBLIC HOUSING.

(a) TRANSFER OF OWNERSHIP TO UNITS OF GENERAL LOCAL GOVERNMENT.—Notwithstanding section 203 of the Housing and Community Development Amendments of 1978 or any other provision of Federal law pertaining to the disposition of property, the Secretary shall transfer ownership of any unoccupied multifamily housing project, substandard multifamily housing project, or other residential property that is owned by the Secretary to the appropriate unit of general local government for the area in which the project or residence is located in accordance with subsection (b), if the unit of general local government enters into an agreement with the Secretary described in subsection (c).

(b) TIMING.—

(1) IN GENERAL.—Any transfer of ownership under subsection (a) shall be completed—

(A) with respect to any multifamily housing project owned by the Secretary that is determined to be unoccupied or substandard before the date of enactment of this Act, not later than 1 year after that date of enactment; and

(B) with respect to any multifamily housing project or other residential property acquired by the Secretary on or after the date of enactment of this Act, not later than 1 year after the date on which the project is determined to be unoccupied or substandard or the residence is acquired, as appropriate.

(2) SATISFACTION OF INDEBTEDNESS.—Prior to any transfer of ownership under paragraph (1), the Secretary shall satisfy any indebtedness incurred in connection with the project or residence at issue, either by—

(A) cancellation of the indebtedness; or

(B) reimbursing the unit of general local government to which the project or residence is transferred for the amount of the indebtedness.

(c) SALE TO COMMUNITY DEVELOPMENT CORPORATIONS.—An agreement is described in this subsection if it is an agreement that requires a unit of general local government to dispose of the multifamily housing project or other residential property in accordance with the following requirements:

(1) NOTIFICATION TO COMMUNITY DEVELOPMENT CORPORATIONS.—Not later than 30 days after the date on which the unit of general local government acquires title to the multifamily housing project or other residential property under subsection (a), the unit of general local government shall notify community development corporations located in the State in which the project or residence is located—

(A) of such acquisition of title; and

(B) that, during the 6-month period beginning on the date on which such notification is made, such community development corporations shall have the exclusive right under this subsection to make bona fide offers to purchase the project or residence on a cost recovery basis.

(2) RIGHT OF FIRST REFUSAL.—During the 6-month period described in paragraph (1)(B)—

(A) the unit of general local government may not sell or offer to sell the multifamily housing project or other residential property other than to a party notified under paragraph (1), unless each community development corporation notifies the unit of general local government that the corporation will not make an offer to purchase the project or residence; and

(B) the unit of general local government shall accept a bona fide offer to purchase the project or residence made during such period if the offer is acceptable to the unit of general local government, except that a unit of general local government may not sell a project or residence to a community development corporation during that 6-month period other than on a cost recovery basis.

(3) OTHER DISPOSITION.—During the 6-month period beginning on the expiration of the 6-month period described in paragraph (1)(B), the unit of general local government shall dispose of the multifamily housing

project or other residential property on a negotiated, competitive bid, or other basis, on such terms as the unit of general local government deems appropriate.

SEC. 4. EXEMPTION FROM PROPERTY DISPOSITION REQUIREMENTS.

No provision of the Multifamily Housing Property Disposition Reform Act of 1994, or any amendment made by that Act, shall apply to the disposition of property in accordance with this Act.

SEC. 5. TENANT LEASES.

This Act shall not affect the terms or the enforceability of any contract or lease entered into before the date of enactment of this Act.

SEC. 6. PROCEDURES.

Not later than 6 months after the date of enactment of this Act, the Secretary shall establish, by rule, regulation, or order, such procedures as may be necessary to carry out this Act.

S. 1214

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Maternity Shelter Act of 1995''.

SEC. 2. FINDINGS.

Congress finds that—

(1) pregnancy among unmarried teenagers is one of the most difficult and far-reaching social problems faced by the United States;

(2) in 1988, the most recent year for which statistics are available, 816,000 unmarried teenagers became pregnant, and of such pregnancies, 44 percent ended in abortion, 12 percent in miscarriage or still birth, and 44 percent in birth;

(3) less than 10 percent of unwed teenage mothers place their children for adoption;

(4) only half as many unmarried teenagers begin prenatal care in the first trimester of pregnancy as do teenagers who become pregnant after marriage, with the result that unmarried teenagers are twice as likely to give birth to low-birth-weight babies than their married teenage counterparts and the rate of infant mortality is twice as high as mothers giving birth in their twenties; and

(5) Federal policy should assist and encourage States to provide pre- and postnatal maternity care services to pregnant teenagers in order to protect the future health and well-being of their newborn children.

TITLE I—MATERNAL HEALTH CERTIFICATES PROGRAM

SEC. 101. MATERNAL HEALTH CERTIFICATES FOR ELIGIBLE PREGNANT WOMEN.

(a) ESTABLISHMENT OF MATERNAL HEALTH CERTIFICATES FOR ELIGIBLE PREGNANT WOMEN.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall establish a program to provide maternal health certificates for eligible pregnant women to use to cover expenses incurred in receiving services at a maternity home.

(b) ELIGIBILITY OF INDIVIDUALS.—

(1) IN GENERAL.—A pregnant woman is eligible to receive a maternal health certificate under the program established under subsection (a) if the woman—

(A) has an annual individual income (determined without taking into account the income of any parent or guardian of the individual) not greater than 175 percent of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to such individual; and

(B) provides the Secretary with such other information and assurances as the Secretary may require.

(2) INCOME OF ESTRANGED SPOUSE NOT INCLUDED.—In determining the income of an individual for purposes of paragraph (1)(A), there shall not be included the income of a spouse if the spouse has been living apart from the woman for not less than 6 months, or if the spouse is incarcerated.

(3) PARTICIPATION IN AFDC PROGRAM NOT REQUIRED.—An individual otherwise eligible to receive a maternal health certificate under the program established under subsection (a) shall not be found ineligible to receive such a certificate solely on the grounds that the individual does not receive or is not eligible to receive aid under the State plan for aid to families with dependent children under part A of title IV of the Social Security Act.

(c) LIMITATIONS ON AMOUNT OF EXPENSES INCURRED.—A certificate received under the program established under subsection (a) may be used to cover an amount of expenses incurred by an individual at a maternity home that does not exceed an amount equal to—

(1) $100; multiplied by

(2) the number of days during which such services are provided to the individual at such facility.

(d) DEFINITIONS.—For purposes of this section:

(1) MATERNITY HOME.—The term ''maternity home'' means a nonprofit facility licensed or otherwise approved by the State (including accreditation or other peer review systems that may be recognized by the State) in which the facility is located to serve as a residence for not fewer than 4 pregnant women during pregnancy and for a limited period after the date on which the child carried during the pregnancy is born, as the Secretary may determine, that provides such pregnant women with appropriate supportive services, which—

(A) shall include the following services—

(i) instruction and counseling regarding future health care for the woman and her child;

(ii) nutrition counseling;

(iii) counseling and education concerning all aspects of prenatal care, childbirth, and motherhood;

(iv) general family counseling, including child and family development counseling;

(v) adoption counseling;

(vi) employability training, job assistance, and counseling; and

(vii) medical care or referral for medical care for the woman and her child, including—

(I) prenatal, delivery, and post-delivery care;

(II) screening or referral for screening for illegal drug use and treatment; and

(III) screening or referral for screening and treatment of sexually transmitted diseases; and

(B) may include the following services—

(i) housing;

(ii) board and nutrition services;

(iii) basic transportation services to enable the woman to obtain services from the facility;

(iv) incidental dental care;

(v) referral for job training; and

(vi) such other services as are consistent with the purposes of this section.

(2) PREGNANT WOMAN.—The term ''pregnant woman'' means a woman determined to have one or more fetuses in utero.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for maternal health certificates under this section—

(1) $50,000,000 for fiscal year 1996;

(2) $75,000,000 for fiscal year 1997; and

(3) $100,000,000 for fiscal year 1998.

TITLE II—MATERNITY HOME DEMONSTRATIONS

SEC. 201. PURPOSES.

It is the purpose of this title to support demonstrations—

(1) to improve and expand the availability of, and access to, needed comprehensive maternity care services that enable pregnant adolescents to obtain proper care and to assist pregnant adolescents and adolescent parents to become productive independent contributors to family and community life; and

(2) to promote innovative, comprehensive, and integrated approaches to the delivery of such services.

SEC. 202. ESTABLISHMENT OF DEMONSTRATION PROGRAM.

(a) GRANTS.—

(1) IN GENERAL.—The Secretary of Health and Human Services (hereinafter referred to in this Act as the ''Secretary'') may make demonstration grants to any State that submits an application under this section (in such form and containing such information as the Secretary may require) to reimburse the State for amounts expended under an eligible grant program for maternity care services furnished to eligible beneficiaries.

(2) LIMITATIONS.—No grant made under paragraph (1)—

(A) shall exceed an amount equal to 50 percent of the total amount expended by the State under the demonstration program for maternity care services furnished to eligible beneficiaries; or

(B) shall be used for the performance, counseling, or referral for abortion.

(3) DEFINITIONS.—As used in this subsection:

(A) DEMONSTRATION PROGRAM.—The term ''demonstration program'' means any program conducted by a nonprofit private organization or agency that (as determined by the Secretary) is capable of furnishing in a single setting maternity care services which—

(i) shall include the following services—

(I) instruction and counseling regarding future health care for the woman and her child;

(II) nutrition counseling;

(III) counseling and education concerning all aspects of prenatal care, childbirth, and motherhood;

(IV) general family counseling, including child and family development counseling;

(V) adoption counseling;

(VI) employability training, job assistance, and counseling; and

(VII) medical care or referral for medical care for the woman and her child, including—

(aa) prenatal, delivery, and post-delivery care;

(bb) screening or referral for screening for illegal drug use and treatment; and

(cc) screening or referral for screening and treatment of sexually transmitted diseases; and

(ii) may include the following services—

(I) housing;

(II) board and nutrition services;

(III) basic transportation services to enable the woman to obtain services from the facility;

(IV) incidental dental care;

(V) referral for job training; and

(VI) such other services as are consistent with the purposes of this section.

(B) ELIGIBLE BENEFICIARY.—The term ''eligible beneficiary'' means any individual who—

(i) is under the age of 19;

(ii) has not completed high school; and

(iii)(I) is pregnant; or

(II) has given birth in the preceding 90 days.

(b) ADMINISTRATION.—The officer or employee of the Department of Health and Human Services designated by the Secretary to administer the grant program under this section shall report directly to the Assistant Secretary for Health with respect to the activities of such officer or employee in administering such program.

(c) AUTHORIZATION OF APPROPRIATIONS; AMOUNTS FOR ADMINISTRATION AND EVALUATION.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $50,000,000 for each of the fiscal years 1996, 1997, and 1998 for the purpose of carrying out the grant program under this section.

(2) ADMINISTRATION AND START UP.—Not more than 25 percent of the amounts appropriated pursuant to paragraph (1) may be used for the purpose of administering or starting up the grant program under this section.

(d) REGULATIONS.—The Secretary shall adopt such regulations as are necessary to carry out this section.

TITLE III—REHABILITATION GRANTS FOR MATERNITY HOUSING AND SERVICES FACILITIES

SEC. 301. ESTABLISHMENT OF GRANT PROGRAM.

The Secretary of Housing and Urban Development shall carry out a program to provide assistance under this title to eligible nonprofit entities for rehabilitation of existing structures for use as facilities to provide housing and services to pregnant women.

SEC. 302. AUTHORITY AND APPLICATIONS.

(a) AUTHORITY.—The Secretary may make grants under the program under this title to eligible nonprofit entities to rehabilitate existing structures for use as maternity housing and services facilities.

(b) APPLICATIONS.—The Secretary may make grants only to nonprofit entities that submit applications for grants under this title in the form and manner that the Secretary shall prescribe, which shall include assurances that grant amounts will be used to provide a maternity housing and services facility.

SEC. 303. GRANT LIMITATIONS.

(a) MAXIMUM GRANT AMOUNT.—A grant under this title may not be in an amount greater than $1,000,000. An eligible nonprofit entity may not receive more than 1 grant under this title in any fiscal year.

(b) MAXIMUM NUMBER OF GRANTS.—The Secretary may not make grants under this title to more than 100 eligible nonprofit entities in any fiscal year.

(c) USE OF GRANTS FOR REHABILITATION ACTIVITIES.—Any eligible nonprofit entity that receives a grant under this title shall use the grant amounts for the acquisition or rehabilitation (or both) of existing structures for use as a maternity housing and services facility, which may include planning and development costs, professional fees, and administrative costs related to such acquisition or rehabilitation.

(d) TIME LIMITATION.—Rehabilitation projects that receive assistance under this title shall be operated for not less than 10 years for the purposes described in this title.

(e) REPAYMENT.—

(1) REQUIREMENT.—The Secretary shall require a recipient of a grant under this title to repay 100 percent of the amount of such grant if the Secretary determines that the recipient has failed to use such grant to operate maternity housing during the 1-year period beginning on the date such housing is placed in service. If the Secretary determines that such recipient is operating maternity housing under such grant for periods in excess of such 1-year period, the Secretary shall reduce the percentage of the amount required to be repaid by 10 percentage points for each year such maternity housing is in operation in excess of such 1-year period,

(2) EXCEPTION.—A recipient of a grant under this title shall not be required to comply with the terms and conditions prescribed under this subsection if the recipient elects to sell or dispose of the property involved and such sale or disposition results in the use of the project for the direct benefit of very low income individuals or if all of the proceeds generated from such sale or disposition are used to provide maternity housing that meets the requirements of this title.

SEC. 304. REPORTS.

The Secretary shall require each eligible nonprofit entity that receives a grant under this title to submit to the Secretary a report, at such times and including such information as the Secretary shall determine, describing the activities carried out by the eligible nonprofit entity with the grant amounts.

SEC. 305. DEFINITIONS.

For purposes of this title:

(1) ELIGIBLE NONPROFIT ENTITIES.—The term ''eligible nonprofit entity'' means any organization that—

(A) is described in section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under subtitle A of such Code; and

(B) has submitted an application under section 702(b) for a grant under this title.

(2) MATERNITY HOUSING AND SERVICES FACILITY.—The term ''maternity housing and services facility'' means a facility licensed or otherwise approved by the State in which the facility is located to serve as a residence for not fewer than 4 pregnant women during pregnancy and for a limited period after the date on which the child carried during the pregnancy is born, as the Secretary may determine, that provides such pregnant women with appropriate supportive services, which

(A) shall include the following services—

(i) instruction and counseling regarding future health care for the woman and her child;

(ii) nutrition counseling;

(iii) counseling and education concerning all aspects of prenatal care, childbirth, and motherhood;

(iv) general family counseling, including child and family development counseling;

(v) adoption counseling;

(vi) employability training, job assistance, and counseling; and

(vii) medical care or referral for medical care for the woman and her child, including—

(I) prenatal, delivery, and post-delivery care;

(II) screening or referral for screening for illegal drug use and treatment; and

(III) screening or referral for screening and treatment of sexually transmitted diseases; and

(B) may include the following services—

(i) housing;

(ii) board and nutrition services;

(iii) basic transportation services to enable the woman to obtain services from the facility;

(iv) incidental dental care;

(v) referral for job training; and

(vi) such other services as are consistent with the purposes of this section.

(3) PREGNANT WOMAN.—The term ''pregnant woman'' means a woman determined to have one or more fetuses in utero.

(4) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

SEC. 306. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title $25,000,000 for fiscal year 1996, $40,000,000 for fiscal year 1997, and $60,000,000 for fiscal year 1998.

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. EVALUATIONS AND REPORTS.

(a) EVALUATION.—The Secretary of Health and Human Services (with respect to titles I and II) and the Secretary of Housing and Urban Development (with respect to title III) shall conduct an evaluation of each program receiving a grant under this Act and may require each recipient of a grant under this Act to submit such information to the appropriate Secretary as such Secretary determines is necessary to conduct such evaluation.

(b) REPORT.—Each Secretary referred to in subsection (a) shall for each year of the grant program under this Act submit to the Congress a summary of each evaluation conducted under subsection (a) and of the information submitted to each such Secretary by recipients of grants under this Act.

(c) FUNDING.—Of the amounts appropriated pursuant to this Act—

(1) the Secretary of Health and Human Services shall reserve not less than 3 percent nor more than 10 percent of the amount appropriated under titles I and II; and

(2) the Secretary of Housing and Urban Development shall reserve not less than 3 percent nor more than 10 percent of the amount appropriated under title III;

for the purpose of carrying out the activities under subsections (a) and (b).

SEC. 402. PROHIBITION ON ABORTION.

Amounts may be made available under this Act only to programs or projects that—

(1) do not provide for the performance of abortions or provide abortion counseling or referral;

(2) do not subcontract with or make any payments to any person who provides for the performance of abortions or provides abortion counseling or referral; and

(3) do not advocate, promote, or encourage abortion;

except where the life of the mother would be endangered of the fetus were carried to term.

S. 1215

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Neighborhood Security Act''.

SEC. 2. PURPOSES.

It is the purpose of this Act to provide for the establishment of demonstration projects designed to determine the effectiveness of—

(1) certain activities by community residents in coordination with the local police department in preventing and removing violent crime and drug trafficking from the community;

(2) such activities in increasing economic development in the community; and

(3) such activities in preventing or ending retaliation by perpetrators of crime against community residents engaged in these activities.

SEC. 3. DEMONSTRATION GRANT AUTHORITY.

(a) DEMONSTRATION AUTHORITY.—Not later than 16 months after the date of enactment of this Act, the Secretary shall award grants under this Act. Grants shall be awarded annually under this section and shall be for a period of 4 years.

(b) LIMITATION ON GRANT AMOUNTS.—The amount of each grant awarded under this Act shall not be less than $25,000 nor more than $100,000.

(c) REDUCTION IN AMOUNT.—Amounts provided under a grant awarded under this Act for a fiscal year shall be reduced in proportion to any reduction in the amounts appropriated under this Act for such fiscal year as compared to the amounts appropriated for the prior fiscal year.

(d) UNUSED PORTION OF GRANT FUNDS.—Any unused portion of a grant awarded under this section shall, upon the termination of such grant, be transferred to the Secretary for redistribution in the subsequent fiscal year or for repayment to the Department of the Treasury.

SEC. 4. APPLICATION.

(a) SUBMISSION.—To be eligible to receive a grant under section 3, a qualified entity shall, not later than 12 months after the date of enactment of this Act, submit to the Secretary an application to conduct a demonstration project under this Act.

(b) CONTENT.—An application submitted under subsection (a) shall be in such form and contain such information as the Secretary shall require, including—

(1) an agreement with the local police department to coordinate and assist in the prevention and removal of violent crime and drug trafficking from the target community;

(2) a plan detailing the nature and extent of coordination and assistance to be provided by the local police department, project participants, and the applicant; and

(3) a description of the strategy of the community for the physical and economic development of the community.

(c) CRITERIA.—In considering whether to approve an application submitted under this section, the Secretary shall consider—

(1) the degree to which the project described in the application will support existing community economic development activities by preventing and removing violent crime and drug trafficking from the community;

(2) the demonstrated record of project participants with respect to economic and community development activities;

(3) the ability of the applicant to responsibly administer the project;

(4) the ability of the applicant to assist and coordinate with project participants to achieve economic development and prevent and remove violent crime and drug trafficking in the community;

(5) the adequacy of the plan to assist and coordinate with the local police department in preventing and removing violent crime and drug trafficking in the community;

(6) the consistency of the application with the eligible activities and the uses for the grant under this Act;

(7) the aggregate amount of funds from non-Federal (public and private sector) sources that are formally committed to the project;

(8) the adequacy of the plan for providing information relevant to an evaluation of the project to the independent research organization; and

(9) such other factors as may be determined appropriate by the Secretary.

(d) PREFERENCES.—In considering an application submitted under this section, the Secretary shall give preference to an applicant that demonstrates a commitment to work with project participants and a local police department in a community with—

(1) an enterprise zone or enterprise community designation or an area established pursuant to any consolidated planning process for use of Federal housing and community development funds;

(2) significant rates of violent crime and drug trafficking, as determined by the Secretary; and

(3) at least one non-profit community development corporation or similar organization that is willing to and capable of increasing economic development.

(e) APPROVAL.—Not later than 15 months after the date of enactment of this Act, the Secretary shall, on competitive basis, approve or disapprove of the applications submitted under this section.

SEC. 5. ELIGIBLE ACTIVITIES.

(a) ACTIVITIES.—Amounts provided under a grant awarded under this Act shall be used for the following activities:

(1) Citizen patrols by car or by foot intended to prevent violent crime and eradicate open market or street sales of controlled substances.

(2) Block watch activities, including identification of property for purposes of retrieving stolen goods, camera surveillance to identify drug traffickers and their customers, protection of evidence to ensure evidence is not lost or destroyed prior to police arrival, and computer linkages among organizations and the police to identify hot spots and speed the dissemination of information.

(3) Property modification programs, including securing buildings and residences to prevent burglary, and structural changes, such as the construction of fences, to parks or buildings to prevent drug sales or other criminal activity in those areas.

(4) Squatter eviction programs aimed at notifying public authorities of trespassers in abandoned buildings used as crack houses or heroin shooting galleries and increasing efforts to remove such squatters.

(5) Expansion of community liaisons with the police, including expanding the community's role in community policing activities.

(6) Developing and expanding programs to prevent or end retaliation by perpetrators of crime against project participants.

(7) Other activities consistent with the purposes of this Act.

(b) ADDITIONAL ACTIVITIES.—Amounts provided under a grant awarded under this Act may be used for additional activities in support of the activities described in subsection (a), including—

(1) the purchase of equipment or supplies, including cameras, video cameras, walkie-talkies, and computers;

(2) the training of project participants; and

(3) the hiring of staff for grantees or project participant organizations to assist in coordinating activities among project participants and with the local police department.

SEC. 6. LOCAL CONTROL OVER PROJECTS.

Except as provided in regulations promulgated under the succeeding sentence, each organization authorized to conduct a demonstration project under this Act shall have exclusive authority over the administration of the project. The Secretary may prescribe such regulations with respect to such demonstration projects as are expressly authorized or as are necessary to ensure compliance with approved applications and this Act.

SEC. 7. MONITORING OF GRANTEES.

(a) IN GENERAL.—The Secretary shall monitor grantees to ensure that the projects conducted under the grants are being carried out in accordance with this Act. Each grantee, and each entity which has received funds from a grant made under this Act, shall make appropriate books, documents, papers, and records available to the Secretary for examination, copying, or mechanical reproduction on or off the premises of the entity upon a reasonable request therefore.

(b) WITHHOLDING, TERMINATION OR RECAPTURE.—The Secretary shall, after adequate notice and an opportunity for a hearing, withhold, terminate, or recapture any funds due, or provided to and unused by, an entity under a grant awarded under this Act if the Secretary determines that such entity has not used any such amounts in accordance with the requirements of this Act. The Secretary shall withhold, terminate, or recapture such funds until the Secretary determines that the reason for the withholding, termination, or recapture has been removed and there is reasonable assurance that it will not recur.

(c) COMPLAINTS.—The Secretary shall respond in an expeditious manner to complaints of a substantial or serious nature that an entity has failed to use funds provided under this Act in accordance with the requirements of this Act.

SEC. 8. REPORTS AND AUDITS.

(a) REPORTS.—Not later than 3 months after the termination of a grant under this Act, the grantee shall prepare and submit to the Secretary a report containing such information as may be required by the Secretary.

(b) AUDITS.—The Secretary shall annually audit the expenditures of each grantee under this Act from payments received under grants awarded under this Act. Such audits shall be conducted by an entity independent of any agency administering a program funded under this Act and, in so far as practical, in accordance with the Comptroller General's standards for auditing governmental organizations, programs, activities, and functions.

SEC. 9. EVALUATIONS.

(a) IN GENERAL.—Not later than 16 months after the date of enactment of this Act, the Secretary shall enter into a contract with an independent research organization under which such organization, in accordance with this section, conducts an evaluation of the demonstration projects, individually and as a group, conducted under this Act.

(b) RESEARCH QUESTIONS.—In evaluating a demonstration project conducted under this Act, the organization described in subsection (a) shall address the following:

(1) What activities and uses most effectively involve project participants in the activities and uses under this Act (with effectiveness measured, for example, by duration of participation, frequency of participation, and intensity of participation).

(2) What activities and uses are most effective in preventing or removing violent crime and drug trafficking from a target community.

(3) What activities and uses are most effective in supporting or promoting economic development in a target community.

(4) What activities and uses are most effective in increasing coordination and assistance between project participants and with the local police department.

(5) What activities and uses are most effective in preventing or ending retaliation by perpetrators of crime against project participants.

(c) FUNDING.—Of the funds appropriated under this Act, the Secretary shall set aside not less than 1 percent and not more than 3 percent for the evaluations required under this section.

(d) REPORT TO CONGRESS.—Not later than 6 months after the date on which the last grant under this Act terminates, the Secretary shall prepare and submit to the appropriate committees of the Congress a summary of each evaluation conducted under this section.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this Act, $10,000,000 for each of the fiscal years 1997, 1998, 1999, and 2000.

SEC. 11. DEFINITIONS.

As used in this Act:

(1) COMMUNITY.—The term ''community'' means a contiguous geographic area within a large urban district or encompassing a small urban or other nonurban area.

(2) DRUG TRAFFICKING.—The term ''drug trafficking'' means any offense that could be prosecuted under the Controlled Substances Act (21 U.S.C. 801, et seq.).

(3) ECONOMIC DEVELOPMENT.—The term ''economic development'' means revitalization and development activities, including

business, commercial, housing, and employment activities, that benefit a community and its residents.

(4) GRANTEE.—The term ''grantee'' means a qualified entity that receives a grant under this Act.

(5) PROJECT PARTICIPANT.—The term ''project participant'' means any individual or private-sector group in a community participating in any of the activities established under a demonstration grant under this Act.

(6) QUALIFIED ENTITY.—The term ''qualified entity'' means a non-profit organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under the Internal Revenue Code of 1986.

(7) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

(8) VIOLENT CRIME.—The term ''violent crime'' has the same meaning as the term ''crime of violence'' in title 18 of the United States Code.

S. 1216

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Compassion Credit Act''.

SEC. 2. CREDIT FOR CHARITABLE CONTRIBUTIONS TO INDIVIDUALS PROVIDING HOME CARE TO CERTAIN INDIVIDUALS IN NEED.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 22 the following new section:

''SEC. 23. CREDIT FOR HOME CARE FOR NEEDY INDIVIDUALS.

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for a taxable year an amount equal to $500 for each eligible individual.

''(b) ELIGIBLE INDIVIDUAL.—For purposes of this section—

''(1) IN GENERAL.—The term 'eligible individual' means an individual—

''(A) who is a member of a class of individuals described in paragraph (2), and

''(B) to whom the taxpayer provides qualified home care services which are required by the individual by reason of being a member of such a class.

''(2) NEEDY INDIVIDUALS.—The classes of individuals described in this paragraph are as follows:

''(A) Unmarried pregnant women.

''(B) Hospice care patients, including AIDS patients and cancer patients.

''(C) Homeless individuals.

''(D) Battered women and battered women with children.

''(3) QUALIFIED HOME CARE SERVICES.—The term 'qualified home care services' means those services which the taxpayer is certified as being qualified to provide to an eligible individual by an organization—

''(A) which is described in section 501(c)(3) and exempt from tax under section 501(a), and

''(B) the predominant activity of which is providing care to one or more classes of eligible individuals.''

(b) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 22 the following new item:

''Sec. 23. Credit for home care for needy individuals.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

S. 1217

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Medical Volunteer Act''.

SEC. 2. TORT CLAIM IMMUNITY.

(a) GENERAL RULE.—A health care professional who provides a health care service to a medically underserved person without receiving compensation for such health care service, shall be regarded, for purposes of any medical malpractice claim that may arise in connection with the provision of such service, as an employee of the Federal Government for purposes of the Federal tort claims provisions in title 28, United States Code.

(b) COMPENSATION.—For purposes of subsection (a), a health care professional shall be deemed to have provided a health care service without compensation only if, prior to furnishing a health care service, the health care professional—

(1) agrees to furnish the health care service without charge to any person, including any health insurance plan or program under which the recipient is covered; and

(2) provides the recipient of the health care service with adequate notice (as determined by the Secretary) of the limited liability of the health care professional with respect to the service.

SEC. 3. PREEMPTION.

The provisions of this Act shall preempt any State law to the extent that such law is inconsistent with such provisions. The provisions of this Act shall not preempt any State law that provides greater incentives or protections to a health care professional rendering a health care service.

SEC. 4. DEFINITIONS.

For purposes of this Act:

(1) HEALTH CARE PROFESSIONAL.—The term ''health care professional'' means a person who, at the time the person provides a health care service, is licensed or certified by the appropriate authorities for practice in a State to furnish health care services.

(2) HEALTH CARE SERVICE.—The term ''health care service'' means any medical assistance to the extent it is included in the plan submitted under title XIX of the Social Security Act for the State in which the service was provided.

(3) MEDICALLY UNDERSERVED PERSON.—The term ''medically underserved person'' means a person who resides in—

(A) a medically underserved area as defined for purposes of determining a medically underserved population under section 330 of the Public Health Service Act (42 U.S.C. 254c); or

(B) a health professional shortage area as defined in section 332 of such Act (42 U.S.C. 254e);

and who receives care in a health care facility substantially comparable to any of those designated in the Federally Supported Health Centers Assistance Act (42 U.S.C. 233 et seq.), as shall be determined in regulations promulgated by the Secretary.

(4) SECRETARY.—The term ''Secretary'' means the Secretary of the Department of Health and Human Services.

S. 1218

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Community Partnership Act''.

SEC. 2. GRANT PROGRAM.

(a) IN GENERAL.—The Attorney General and the Secretary of Health and Human Services shall jointly establish and carry out a competitive grant program to provide funding to States and communities to—

(1) establish an information network to enhance coordination of matches between—

(A) churches, synagogues and other communities of faith, and other community groups; and

(B)(i) families receiving aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) who voluntarily elect to participate; or

(ii) nonviolent criminal offenders who elect to participate, and are directed to such a program through the judicial system;

(2) hire staff to coordinate matches, recruit churches, enhance coordination between the public welfare system, judicial system, churches, synagogues and other communities of faith, and other community groups; and

(3) disseminate information, including training, to Government agencies and interested community groups about programs receiving funding under this Act.

(b) FUNDING.—

(1) IN GENERAL.—A grant under this section shall not exceed $1,000,000 in any fiscal year.

(2) SOURCES.—There are authorized to be appropriated not more than $50,000,000, of which—

(A) not more than $25,000,000 shall be available from the Violent Crime Reduction Trust Fund; and

(B) not more than $25,000,000 shall be available from funds appropriated to the Secretary of Health and Human Services for administrative expenses.

SEC. 3. INFORMATION CLEARINGHOUSES.

Of the amount made available under section 2(b), not more than a total of $1,000,000 shall be available to the Attorney General and Secretary of Health and Human Services for each to establish a national information clearinghouse at the Department of Justice and the Department of Health and Human Services, respectively, to provide information and networking to assist States in establishing and carrying out programs under section 2.

ADDITIONAL COSPONSORS

S. 391

At the request of Mr. CRAIG, the name of the Senator from Wyoming [Mr. THOMAS] was added as a cosponsor of S. 391, a bill to authorize and direct the Secretaries of the Interior and Agriculture to undertake activities to halt and reverse the decline in forest health on Federal lands, and for other purposes.

S. 771

At the request of Mr. PRYOR, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 771, a bill to provide that certain Federal property shall be made available to States for State use before being made available to other entities, and for other purposes.

S. 856

At the request of Mr. JEFFORDS, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 856, a bill to amend the